

CONSIDERATIONS ON THE DANGER AND IMPOLICY

OF
LAYING OPEN THE TRADE WITH
INDIA AND CHINA;

INCLUDING
AN EXAMINATION OF THE OBJECTIONS COMMONLY
URGED AGAINST THE
EAST INDIA COMPANY'S
COMMERCIAL AND FINANCIAL MANAGEMENT

"The pretended rights of these theorists are all extremes, and in proportion
as they are metaphysically true they are morally and politically false."

BURKE.

"Si plures sunt ii quibus improbe datum est, quam illi quibus injustum
ademptum est, idcirco plus etiam valent?"

CIC. OFF.

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THE following Sheets contain the substance of a series of Letters which appeared in the *Morning Chronicle* in the course of last summer, under the signature of COSSIM. The author finding the subject too extensive to be fully discussed within the limits of a newspaper, resolved to submit his thoughts to the Public in their present shape.

London, December, 1812.

CONSIDERATIONS.

&c.

THE little interest taken in this country about the affairs of India, is matter of wonder as well as of regret. The consequence of general indifference upon the subject has been general ignorance; and though at the present conjuncture, when the attention of the Legislature is about to be drawn to the framing of “such measures for the future government of the British possessions in India, as shall appear from experience and upon mature deliberation to be calculated to secure their internal prosperity, and to derive from those flourishing dominions the utmost degree of advantage to the commerce and revenue of the United Kingdom,” dormant interests have been awakened and powerfully excited; it is yet to be feared, that under the existing want of information, the most dangerous errors will be committed, unless much wisdom and caution are applied to repress fallacious hopes, as well as to harmonize jarring pretensions and reconcile conflicting claims.

* Speech of the Commissioners at the opening of last session of Parliament

There are certain general principles, from which it is presumed that no one will be found to dissent. Of these the most obvious are, that the common good of the empire in Europe and in Asia ought to constitute the basis of the new arrangement; that as no partial interest should be exclusively consulted, every partial view of the question ought to be received with circumspection, and even with suspicion; that subordinate ought to yield to paramount considerations; and above all, that experience should be trusted rather than speculation, in modelling the government and adjusting the relations of states.

The application of these principles to the present occasion, would naturally lead to an investigation of the causes which have produced the extension and consolidation of our power in India, and of the mode in which that power is exercised in the internal administration of those populous and fertile regions which now acknowledge the British authority.—There is hardly any question connected with the military and civil policy, the jurisprudence and financial economy of nations; scarcely any circumstance affecting the stability of governments, or the security, happiness, and prosperity of their subjects, which this range of inquiry would not embrace. Whether owing to the frequent discussions that have taken place in Parliament upon the system of administration introduced and acted upon by the East

India Company, all these questions are considered as finally put to rest, and a sound and matured conviction has been impressed upon the public mind, that both in principle and practice the system is upon the whole as unobjectionable as it can be made; or whether it arises from a prevailing indifference to unseen events and matters of remote interest, the attention of the country seems to be exclusively directed to the channel in which *the trade* with India is in future to be conducted. The state of existing treaties in India, the means and motives of aggression possessed by rival powers, the resources of wisdom and force by which aggression may be prevented or repelled, the constitution of the government, the regulations under which justice is administered, and revenue collected, and the different plans which have been proposed, or may still be in agitation for improving the condition of a vast population of British subjects, are studiously thrust into the back-ground, and in the controversy, as it presents itself in most of the publications of the day, we only see the East India Company endeavouring to preserve their commercial privileges, and another set of merchants struggling to invade them.

Were the question at issue really what in these publications it appears to be—one simply of a commercial nature—the writer of these pages would probably have abstained from taking any part in the discussion; and he has no hesitation in

acknowledging, that could he bring himself to view the subject in the light in which it is vulgarly contemplated, merely as a contest between the East India Company and the great body of British merchants, for an improvable branch of commerce, as a dispute between expiring privilege and nascent right—the claimants of an open trade should have his hearty good wishes in the cause for which they are contending. In the whole confederated host of petitioners, against the Company's privileges, there is not to be found a more zealous advocate for commercial freedom, or a more decided adversary on general grounds to monopoly, than the individual who now ventures to submit his sentiments to the public. But strong as is the popular dislike to monopoly, there are evils which it would be still more imprudent to encounter; and however just may be the general partiality to liberty of trade, there are considerations entitled to a preference. Incompatibility between objects equally desirable, leaves only a power of choice, and this choice, if judiciously made, must be directed by a comparison between their practical utility, rather than their abstract fitness. The laws by which trade is regulated, form undoubtedly a prominent feature in national policy, but they have been usually held subordinate to those institutions which provide for the security of states, and the maintenance of their mutual relations. Foreign possessions are sometimes of immense importance in a political, and comparatively of small

value in a commercial view,* and trading restrictions which if generally applied, would be unnecessary and noxious, may in certain cases be found both salutary and requisite.

It is not intended to make any attempt to prove that political advantages result to Great Britain from the empire which she has acquired in India. The fate of a country which has been the scene of so many triumphs to her arms, where the imperishable records of her virtue and humanity, as well as of her genius and enterprise appear, where the ashes of the best and bravest of her sons repose, can never be an object of indifference to England until she has ceased to care for all that concerns her glory.† Nor is it proposed to analyze the merits of the plan under which the affairs of India at

* The charges of the Bombay Presidency, exceed the revenues by more than a million sterling annually; but it surely does not follow, that on this account the settlement should be abandoned.

† It would be difficult to apologize for all the British transactions in India, since the year 1756; but dating from the time of Lord Cornwallis, it may safely be affirmed, that the spirit of the Company's policy has been wise, liberal, and humane. It exhibits an excellent practical comment upon the decree of the Roman senate, respecting Macedonia and Illyricum.—*Omnium primum liberos esse placebat Macedonas atque Illyrios, ut omnibus gentibus appareret, arma Populi Romani, non liberis servitutem, sed contrâ SERVIENTIBUS LIBERTATEM AFFERRE*; ut et in libertate gentes quæ essent, tutam eam sibi perpetuamque sub tutelâ Populi Romani

home and abroad are now administered. The practical success which has attended this plan is its best encomium, and furnishes the most satisfactory answer to the objections to which in theory it may be open. The writer's views are much more limited. The value of our Indian empire, though perhaps underrated, is no where denied, and in so far as one can judge from the printed correspondence between His Majesty's Ministers and the Court of Directors, it does not appear to be in contemplation to make any material alteration in the constitution of the existing government, or in the distribution of the power with which its several members are clothed. The object of the numerous petitions which in the course of the last year have been presented to Parliament, is to procure for the merchants of the United Kingdom, indiscriminate and free admission into the trade with India and China, in derogation of the exclusive, or rather of the modified privileges now enjoyed by the East India Company, and this object to a considerable extent has received the countenance of His

esse ; et quæ sub regibus viverent, et in præsens tempus MITIORES EOS, JUSTIORESQUE RESPECTU POPULI ROMANI HABERE SE. The decree was an excellent one, though it was lamentably executed. How proudly may the benefits conferred by Lord Cornwallis on the provinces of Bengal, Behar, and Orissa, and afterwards extended by Lord Wellesley to the people of the Carnatic, be contrasted with the conduct of Flaminius and Paulus Æmilius to the states of Greece !

Majesty's Government. It will be the writer's aim to shew, that this pretension, although ostensibly it be purely commercial, is in its bearings big with political mischief, and that, whilst it would, if sanctioned, utterly fail in obtaining for the petitioners the advantages they expect from a decision in their favor, it would prove ruinous in its operation to the general and paramount interests of the empire. To exclude political considerations from the discussion, would lead to participation in the prevailing error, but it is not meant to pursue them farther than is necessary to the exposure of the error.

Before entering upon any of those points of detail, which arise out of a subject confessed to be extremely extensive and complicated, it will not be either irrelevant or useless to advert shortly to the actual situations of the different parties whose interests are to be brought before Parliament for solemn deliberation and decision.

These interests may be arranged under three general heads—1st. The commercial and manufacturing interests of this country. 2dly. The political and commercial interests of the East India Company; and 3dly. The interest of Government so to conciliate and regulate the other two, as to render them conducive to the substantial and permanent prosperity of the empire. Let us look

then, for a moment, to the situation in which the parties supporting these different interests are placed, regarding the approaching expiration of the East India Company's Charter.

1st. It is well known that from causes originating in the present convulsed state of the world, the pressure upon the manufacturing and mercantile classes of the community is severe beyond example. Reduced to circumstances of great difficulty and embarrassment from the want of markets for their produce, they look with eagerness to the opening of a trade, in the prosecution of which they would have little to dread from hostile annoyance. Those countries which have been acquired by the wisdom of the national councils, and by the vigour of the national arms, they naturally consider as the proper field for commercial enterprise; and in the vast resources of widely extended regions, they fondly anticipate the reward of industry, perseverance, and skill. Asia presents itself to their imaginations unlocking new and exhaustless stores for their acceptance, with a population of countless millions inviting them, with outstretched arms, to supply their unsatisfied and insatiable wants. Is this the present state of the public mind throughout the country, or is it not? and is it, or is it not a prospect which must prove fallacious? No one who reads the resolutions which have lately been passed in many of the manufacturing and trading towns, can doubt the fact of such expect-

tations being entertained ; and no one who has soberly meditated upon the information which is within the reach of all, and the accuracy of which is not liable even to suspicion, far less those who are accurately informed from experience and observation, respecting the constitution of Asiatic Society and the state of manners in that part of the world, can help being astonished that ideas so extravagant should have gained possession of the minds of any class of individuals usually distinguished by habits of accurate discrimination and calm reflection.

Much allowance is indeed due for the circumstances under which these visionary prospects are cherished, but the *tone* in which the claims of the respectable bodies alluded to are set forth, can hardly be considered as entitled to much indulgence. Their resolutions and petitions are couched in terms of bold and imperious demand. Apparently unconscious of danger from great and sudden innovation upon a system sanctioned by the experience of ages, they plead for its overthrow on the ground of indefeasible right long lain in abeyance. Capital embarked, property acquired, and services performed under the established system, are all to give way to speculative notions and theoretical plans, or at best to principles, which, however true in the abstract, are totally inapplicable to the service into which they are forced.

The pretension itself with the expectations founded upon it will be examined hereafter : the only inference meant to be deduced from these observations *now* is, that the claims of any set of men acting under the influence of great hardships, anxious for relief from every quarter whence relief can come, and even looking for succour where it is altogether unattainable, or attainable only by inflicting calamities greater than those they seek to alleviate, ought to be listened to with extreme caution.

2. The representations of the East India Company, as a party, likewise require to be scrutinized before being admitted. They have been invested with an important stewardship, and confirmed in it by no fewer than sixteen solemn acts of the legislature. Of this stewardship they are now called upon to render an account. If they have been negligent or unfaithful, let them be dismissed with indignity from the office : but though they even stood convicted of mismanagement, it would not follow that the principles on which the affairs of India have been administered, and the connexion between the two countries has hitherto subsisted, ought to be abandoned. A casual abuse of trust, though it may discredit the agents in whom confidence has been reposed and authority vested, does not necessarily impeach the system under which misconduct has taken place.—If on the other hand the Company have acquitted themselves ~~in~~ ⁱⁿ their high trust, not only with integrity and credit

to themselves, but with honour and advantage to the country—if they have done more with smaller means than ever was achieved by any other body, commercial or political, in the history of the world—if by encouraging the industry, and patronising the talent of their fellow-citizens, they have acquired and preserved an empire forming the brightest jewel in the British Crown—if they have improved the condition of their subjects in the same degree that they have extended their own jurisdiction—if in war they have shewn themselves to be a most powerful ally of the paramount state, and in peace a nourisher of its resources—if their mercantile gains have been uniformly and cheerfully sacrificed to the great objects of national security and national glory—if so far from acting in the hard character of exclusive monopolists, they have long since consented to a relaxation of the terms of their existing charter, by admitting competitors into their trade—and if unwilling to follow, or imitate the grasping spirit of their opponents, they have now signified their readiness to agree to every latitude being given to a commerce (established with their capital and by their exertions) that may be deemed compatible, not with the paltry consideration of a per centage, more or less, upon their mercantile investments, but with their duties as delegated Sovereigns, with the tranquillity of their possessions, and the consequent integrity and stability of the empire—surely an assembly exercising legislative functions, will listen patiently, and listen favourably also to

claims fortified not more by prescription than by high desert.

The circumstances in which the Company appear before Parliament, soliciting the renewal of their charter, are rather unfavourable. The services that they have rendered to the state do indeed fill the most brilliant pages of its history during the last sixty years, but the public, from familiar acquaintance with most of these exploits, have ceased to be dazzled with their lustre. The gradual accessions of power, of wealth, and of revenue, which have been derived from India, are regarded by the nation as forming part of its own constituent resources, while the instrument by which these resources have been created, enlarged, and upheld, is too frequently overlooked. To superficial observers (and to this class, unfortunately, a majority of mankind will always belong) the recent applications of the Company to Parliament, for assistance under temporary pecuniary embarrassments, no doubt bear an unfavourable aspect. And lastly, a great establishment, like that of the East India Company, the Directors of which possess considerable power and patronage, naturally attracts some portion of envy and jealousy, feelings which, though strongly excited by the distresses of the times, are not so blind from their violence as to incapacitate those actuated by them, from availing themselves of all the difficulties in the Company's present situation, or from employing against it, with sufficient dexterity, those weapons

of attack against trading monopolies, of which there is ample store in the repositories of economical science. For some of those unfavourable circumstances the Company are obviously not accountable; and if, as is hoped, it shall afterwards appear that for others they are not to blame, it behoves those who by careful investigation have become acquainted with their concerns, to shield them against vulgar obloquy, instead of joining in the clamour by which they are assailed.

3. In reference to the interest of Ministers, and to the arrangement which they may think proper to propose to the Legislature, for the double purpose of regulating the foreign and domestic government of our Asiatic possessions, and the mode of conducting the trade with India and China, they may be considered as liable to error, either from a consciousness of strength and a desire of increasing their own power and influence, or from a sense of weakness and a wish to strengthen themselves by the adoption of popular measures. In 1783, when the affairs of the Company were brought into discussion, it was contended by the ministry of the day, a ministry powerful from the talent and rank of its members, that the sovereignty of British India ought to be assumed by the King in right of conquest, and that the administration, in all its branches, ought to be intrusted to his responsible advisers; that all orders regarding the political, financial, judicial, and military autho-

rities in India, should emanate from the sovereign, and that the Company's territorial possessions should be governed on the same principles and in the same manner as *the other dependencies of the crown*. It was argued on the other hand, that such a scheme went completely to subvert the balance of the constitution by throwing the whole patronage of India into the hands of the crown; that by despoiling the East India Company of a property legally acquired, and to which they had an indisputable right of possession, it was repugnant to the dictates of common justice; and that if carried into execution, it would loosen and perhaps break the tenure by which these territories were held, by an injudicious application of European maxims of government to a country not more remote in situation, than dissimilar in usages from Great Britain. The plan, after being reduced into the shape of Bills, passed the House of Commons, but was thrown out by the other House of Parliament, and its rejection was signalized by the fall of the minister by whom it was introduced. The fate of these celebrated bills will, it is hoped, operate as a salutary warning to the present and all future administrations, against harbouring projects of ambition, similar to that, which at the period referred to, was not more fortunately counteracted than it had been imprudently disclosed.

Since the institution of the Board of Commissioners for the affairs of India in 1784, His Majesty's

Government have exercised, under the sanction of the Legislature, a general superintendence and control over the civil and military concerns of the Company; an interference which has occasionally been *productive of inconvenience, but which, upon the whole, has tended to give stability and vigour to the system, and to preserve a harmony of view and pursuit, as to the great objects of national policy, without depriving the Company of the management of their trade, infringing their territorial rights, or arming Ministers with a degree of influence incompatible with the liberties of the people or the independence of Parliament.* The opinion of His Majesty's present Government upon the merits of the system as it now stands, may be collected from the following passage in the letter addressed by Mr. Dundas (the late President of the India Board) to the Chairman and Deputy Chairman of the East India Company, under date the 28th Dec. 1808. "I have not yet
 " heard or read any arguments against the continu-
 " ance of the system under which the British posses-
 " sions in India are governed, of sufficient weight to
 " counterbalance the practical benefits which have
 " been derived from it, in their increased and increasing
 " prosperity, and the general security and happiness of
 " their inhabitants. It is possible that the same effects
 " might have been produced under a government im-
 " mediately dependant on the crown: but for the
 " attainment of those objects, the experiment is at
 " least unnecessary, and it might be attended with

“ dangers to the constitution of the country, which,
 “ if they can be avoided, it would be unwise to en-
 “ counter. Any alteration, therefore, which may be
 “ suggested in this part of the system, will probably
 “ be only in the details.”* This language is perhaps
 more cautious than the occasion required : it is cer-
 tainly much less decisive than what the late Lord
 Meville was accustomed to use, when, on the same
 topic, he thought it necessary to declare an opinion.
 It should, however, in candour, be recollected, that
 M. Dundas, in this very letter, had a communication
 to make to the Chairman and Deputy Chairman of the
 views entertained by Ministers on the policy of open-
 ing the trade with India which he knew would be
 most unpalatable to the Company, and that in order to
 pave the way for that proposition he just insinuated the
possibility, with some danger indeed to the Constitution,
 (heaven save the mark !) of another plan being devised
 for the conduct of the government, on the old maxim
 which probably both he and they understand, “ Better
 half a loaf than no bread.” A more palpable and alarm-
 ing hint, was indeed conveyed in the same letter.

* Printed Papers, p. 12.

The printed papers referred to, in this and other parts of the pamphlet, are the papers respecting the negotiation for a renewal of the East India Company's exclusive privileges, printed by order of the Court of Directors, for the information of the proprietors of East India Stock, 4to Edition. When other documents are referred to, they are particularly specified.

respecting an alteration of the military system in India, and the consolidation of the Company's troops with the King's army, but the President of the Board seems to have been fairly reasoned into a retraction of this suggestion, by the letter from the Chairman and Deputy, dated the 15th January, 1809;* and Lord Melville, in his answer of the 17th December, 1811, after having had nearly two years for reflection, admits the objections to such a change to have great weight, and proposes to defer all farther discussion upon the subject until a future opportunity.†

Certain details, affecting both the civil government and the army, are left open for adjustment;† and

* Printed Papers, page 33. † Printed Papers, page 43.

‡ “ In submitting to you these observations, however, I beg to be distinctly understood as conveying to you only the *PRESENT sentiments of His Majesty's Government on the SEVERAL POINTS to which the propositions relate.* Public discussion on such an important question may possibly produce an alteration of opinion on some of the details; and though the subject has been fully considered, it may be deemed necessary in the further progress of the measure, to propose on some points regulations of a different description from those which are suggested in the enclosed observations.”

“ ————— “ Though various regulations may possibly be necessary with a view to promote the discipline and efficiency of the army in India, I am not aware that any legislative enactments are requisite, *except as to the amount of force which His*

care must be taken lest these modifications as they may be termed, do not involve changes of great moment, which being sometimes effected under plausible pretences, and very modestly introduced into the world, are found on better acquaintance to assume a most imposing mien. But upon the whole it may be supposed with some degree of safety, that Ministers have no matured and deep-laid plan for materially altering the constitution of the Company, with any view of augmenting their own patronage and power.

The errors of weakness are, however, not less to be dreaded than those of ambition. The progress of the latter is sometimes staid by the re-action which they produce against their authors: the former springing from delusion, or from fear, flow on till their source is exhausted, and the mischief they occasion is irreparable. Encroachment is the cardinal vice of absolute governments. A spirit of unwise concession is the sin which more easily besets the ministers of a free state. Power is the object of both; the mode of pursuit is different; but the result is alike prejudicial to

“ Majesty may be empowered to maintain in India, at the expense of the Company, and perhaps also some provisions in regard to THE RELATIVE POWERS OF THE BOARD OF COMMISSIONERS, AND THE COURT OF DIRECTORS.”—Letter from Lord Melville to the Chairman and Deputy Chairman, dated 21st March, 1812.—Printed Papers, pages 19 and 80.

the general weal. The application of these remarks will readily suggest itself to every one who has attended to the progress of the negotiation between His Majesty's Government and the Court of Directors, and to the occurrences, as well recent as more remote, which may be supposed to have retarded its termination.

Until the year 1793, the Company's exclusive trade was strictly guarded by legislative enactments; and, except in the indulgence granted to the commanders and officers of the Company's ships, no British subjects were allowed to embark in the Indian trade, although by special permission of the Court of Directors, goods belonging to individual merchants, had for a few years before that period been occasionally taken on board their vessels. By the act of 1793, the Company were bound to provide at a reasonable price 3,000 tons of shipping or more, annually, for the use of any of His Majesty's subjects who might be disposed to export British manufactures or produce to that extent, and to bring back returns in goods from India. The principal, if not the sole object of this clause in the act, was to transfer to the Thames the trade then clandestinely carried on between the British possessions in India and foreign Europe, by providing a legal channel through which the fortunes acquired by British residents in the East might be brought home to their

native country.* At that period there were no vessels in existence, or in contemplation, for the Indian trade, except the regular ships of 800 tons burden employed by the Company.

The merchants and manufacturers of this country seldom availed themselves of the privilege which they acquired under the act of 1793: but in the course of the two or three following years some of the Company's ships were required by His Majesty's Government for the public service; and a scanty harvest having about the same time enhanced the price of bread, it was deemed advisable to import large quantities of rice from India, in any fit ships that could be procured either there or in England, liberty being granted to these ships to carry out cargoes from England to India. These circumstances led to the introduction into the trade between the two countries of a new description of vessels of small size, and cheap outfit, many of which were built in India, and navigated by Indian seamen. As the emergency which called these ships into employment was of a temporary nature, it would have been unreasonable after it had ceased, to give them a preference over the ships that had been built at home,

* A professed object was also to open a vent for British manufactures. See Act 33d George III. Cap. 52. Sect. 83.

and equipped expressly for the service of the Company, and which the Company were under engagement to employ for a stipulated number of voyages.

The Indian merchants, who were also ship-owners, seeing the prospect closed, which a temporary exigence had opened to them, complained loudly of the rate of freight and other grievances to which they were subjected by the Company's regulations, and as a relief from these hardships they prayed for the permanent admission of India built ships into the trade. Their representations occasioned a great deal of discussion both here and in India; and in 1802, after much deliberation, a final arrangement was made by the Court of Directors, with the sanction of His Majesty's Government, for the future regulation of the privileged trade between India and Great Britain.

It was then determined, that in addition to the three thousand tons of shipping allowed by the 33d of the King, a farther quantity of three, four, or five thousand tons, or as much as might be wanted, should be provided by the Company, and that the ships, without being diverted to political or warlike purposes, should be appropriated to the use of the private merchants, and sail regularly at the proper seasons. Except saltpetre, and piece-goods, all articles might be laden upon these ships. The first exception was made obviously from political

considerations, and the second has not been enforced by the Company. Light and heavy goods were to *be properly assorted by the Company's officers, and as the Company were to be answerable for the freight to the owners, so they were of course to load the ships if the private merchants declined, and the onus of providing suitable dead weight or ballast, also rested with the Company.* The ships so taken up might be built either in England or India, and in no case were the merchants to be charged a higher rate of freight than the Company paid. In point of fact it has uniformly been considerably lower.*

In framing this arrangement, a clear and fixed line was drawn between a trade in its nature colonial, and a trade of simple remittance. The first could only be created by transplanting capital from this country to India; and the late Lord Melville, who at that time presided at the India Board, perfectly coincided in opinion with the Court of Directors, that the recognition of such a principle would be not only subversive of the privileges, and even of the existence

* The loss estimated to have been sustained by the Company in supplying tonnage for the privileged trade, from the year 1795 to 1810 inclusive, is £444,293, that sum being the difference between the amount of the freight actually paid by the Company for the shipping so employed, and the amount received by them from the private merchants. See *fourth Report of the Select Committee of the House of Commons, on the Affairs of the East India Company, page 444.*

of the Company, but prejudicial to the interests commercial and political of the whole empire.—
The second was amply provided for in the way that has been stated. It must be confessed that the arrangement did not prove satisfactory to the private British merchants resident in India, or to their agents in this country; nor was this to be expected, because their pretensions were really, though not avowedly, founded upon the principle of a colonial trade; a principle, however, the benefit of which they were desirous should be confined to themselves as a body, to the exclusion of the rest of their fellow subjects. They wished in fact to obtain for themselves a full share of all the Company's advantages, without participating in the expense, risk, and responsibility attending its vast establishments both foreign and domestic. Being disappointed in this object, they have not ceased bitterly to complain of the restraints, delays, and vexations to which they allege that they have been subjected, from what they call an arbitrary exercise and wanton abuse of the Company's authority. Not content with presenting their complaints in the shape of representations and memorials to His Majesty's Government, and the Court of Directors, they have in the course of the last four or five years made frequent appeals to the public in pamphlets, where every term of invective is employed against the Company, and the whole policy of our Indian system is virulently attacked. The effect produced by those pub-

lications has been different probably from that which was designed. For the merchants and manufacturers at large petitioned Parliament to throw open the trade entirely, thinking very justly, that if the Company's privileges were to be invaded, and any farther enlargement given to a valuable branch of commerce, they had as good a claim as some eighteen or twenty houses of Indian agency to share in its advantages. The established houses of agency observing that things were thus taking a turn still more unfavourable to their views than the system itself on which they had laboured to encroach, have earnestly petitioned against the extension of the trade to the outports, and have remained neutral upon the other points of the controversy. Such are the conflicting pretensions which His Majesty's Government have in the first instance been called upon to reconcile, and which will soon be brought before Parliament for ultimate adjustment.

The task imposed upon Ministers, under these circumstances, is invidious and difficult, and even the purest intentions on their part do not hold out an adequate security for its right performance. As servants of the public, it is their duty at all times to defer to the public opinion, when constitutionally expressed, in so far as is consistent with an enlightened and honest sense of the national interests. At a season of great commercial difficulty, it is peculiarly their duty to devise means of relief, care being taken

that the medicine administered be not of a nature to aggravate, instead of alleviating the general distress. It is not, however, to be disguised, that the object of the petitioners is to subvert the fundamental principle of our Indian policy, and altogether to change a system sanctioned by prescriptive authority, and by long experience of its advantages ; that the benefits which may result from the experiment are distant, precarious, and perhaps unattainable, and that the evils which may ensue from it, are at least equally probable and incalculably more important ; that the same claims which are now brought forward have been preferred on former occasions, and rejected ; that the number of the petitions, (many of them coming from places which have no direct interest in the question), together with the intemperate language in which some of them are drawn up, the industry that has been employed in collecting them, the active canvass among members of Parliament to support them, and the delegation of committees to watch the progress of the discussions, were strongly symptomatic of an intention amid the distractions of political parties, and on the supposed near approach of a dissolution of Parliament, to obtain by clamour and intrigue a measure which the petitioners despaired of achieving under a less commanding, or more temperate influence.

The embarrassment occasioned by these opposite considerations is sufficiently visible in the past stages

of the negotiation. In the letter from Mr. Dundas to the Chairman and Deputy Chairman of the East India Company, dated the 28th December, 1808, it is stated to be “ fit that the Court of Directors shall “ understand distinctly, that he cannot hold out “ to them the expectation that His Majesty’s Minis- “ ters will concur in an application to Parliament for “ a renewal of any privileges to the East India Com- “ pany, which will prevent British merchants and ma- “ nufacturers from trading to and from India and the “ other countries within the present limits of the Com- “ pany’s exclusive trade, (the dominions of the empire “ of China excepted), in ships and vessels freighted by “ themselves, instead of being confined as at present “ to ships in the service of the Company, or licensed “ by the Court of Directors.”* Let this communi- cation be compared with the following extract from Lord Melville’s letter, dated the 21st March, 1812: “ You will do me the justice to recollect, that in all “ our discussions on this subject, both recently, and “ on former occasions, the admission of the ships of “ *merchants in this country into the trade of India,* “ in concurrence with those of the Company, has “ never been urged as a measure from which much “ immediate benefit would, in my opinion, be de- “ rived either to the country, or to the individuals “ who might embark in the speculation; and I cer-

* Printed Papers, page 15.

"taily am not without considerable apprehension
 "that at least on the first opening of the trade, the
 "public expectation as to the British territories in
 "India affording any considerable outlet for British
 "manufactures beyond the amount of our present
 "exports, may be disappointed."* On comparing
 these two passages, it appears that in laying down
 an open trade to India, as an indispensable con-
 dition of Ministers' recommending to Parliament the
 renewal of the Company's charter, the late Pre-
 sident of the India Board stipulated for what he
 afterwards admitted would be of little immediate
 benefit either to the country or individuals; and
 after such an admission, it is difficult to avoid the
 inference, that in making the stipulation, he did
 not act from his own conviction of its uti-
 lity. He rests the proposition indeed in both
 letters upon the inefficacy of the provisions under
 the act of 1793, for the trade of private individuals
 between Britain and India, which are stated to have
 been "the source of constant dispute, and to have
*entailed a heavy expense upon the Company, with-
 out affording to the public any benefit adequate to
 such a sacrifice.*" But is it not at least doubtful
 whether the regulations which both his Lordship and
 the Court of Directors agree to be necessary, in
 order to guard against the facilities afforded by the

new plan to persons who may attempt to settle and reside in India without a license from the Company, or without the knowledge and sanction of the local governments, will not prove equally unsatisfactory to the merchants both of this country and of India, as those privileges have been which were granted to them by the act of 1793, and subsequently extended by the Court of Directors in 1802? Reasoning *a priori*, it seems much more easy to regulate a monopoly than an open trade. The principle of freedom, and the proposed restrictions, are like the iron and the clay in the toes of Nebuchadnezzar's image; they may cleave, but they never will incorporate.

Again, in Article 6th, of a paper entitled—"Hints Approved by the Committee of Correspondence, &c.," and submitted to Lord Melville on the 3d of March, 1812, as the outline of a plan on which the Company's Charter might be renewed, it was proposed "that the whole of the Indian trade should be brought to the port of London, and the goods sold at the Company's sales, and be as at present under the Company's management."* The same principle was distinctly contained in the letter from the Chairs in January, 1809, and was not then controverted by Lord Melville. In answer to this proposition, however, his Lordship observed, in a paper transmitted on the 21st of March, 1812, "the adop-

* Printed Papers, page 63.

"tion of the regulation suggested will probably
 "tend to the security and advantage of the pub-
 "lic revenue, in collecting the duties on all arti-
 "cles imported from the East Indies and China, as
 "well as other countries to the eastward of the Cape
 "of Good Hope."* The answer is cautiously worded,
 and it would be uncandid not to allow that it con-
 tained, or rather implied, a reservation, under which
 Government might ultimately withhold assent to the
 proposition of the Court, a reservation of which
 the increasing clamour and combination against
 the Company, has actually since induced Ministers
 to avail themselves. What the petitioners for open
 trade wanted in argument, they made shift to sup-
 ply by the number, importunity, and contrivance of
 their delegated counsel; and on the 27th of April
 last, the Earl of Buckinghamshire, who had then
 succeeded to Lord Melville at the India Board, ac-
 quainted the Chairman of the Court of Directors,
 that "the representations which had been brought
 "before His Majesty's Government, had led them
 "to entertain an opinion, that they would best con-
 "sult the public interests, by not confining the im-
 "port trade from the East Indies to the Port of Lon-
 "don."† Now without presuming to insinuate that
 this change of opinion constituted any breach of
 faith towards one of the parties engaged in the nego-

* Printed Papers, page 82.

† Page 146.

ciation, it was surely not too much to expect, that a distinct communication should be made to the Court of the substance of those representations which had produced a bias on the minds of Ministers, contrary to that which they had entertained only five weeks before. Had the question involved merely the security of the revenue, Government might have claimed credit on the score of their own public duty, for the exercise of a due degree of caution in lending their countenance to any measure, by which the stability of the national resources could be endangered. But as the point at issue affected the profits of the Company equally with the duties payable to Government, it was reasonable that the Court of Directors should be consulted respecting the probable efficiency of the plan in agitation for the prevention of illicit trade, if a plan had really been digested for that purpose; and the circumstance of no such communication having been made, suggests a doubt whether any such scheme was actually matured.

Hence it appears, that the Court of Directors had no sooner consented to a partial sacrifice of their trade to public feeling, or as they very properly termed it, to public prejudice, than they were urged by fresh demands to farther concessions; and were they now to agree to the extension of the Indian trade to the outports of the kingdom, they might next be called upon to surrender the commerce with China.

In making these remarks, or any others which may be hazarded in the sequel, there is no intention whatever of blaming the conduct of Government, and much less of reflecting upon the two most respectable noblemen, who have been the official organs of conducting the correspondence of that Government with the Court of Directors. The present Ministers have acted probably in much the same way that others would have done in their place. If more has been imputed to popular influence than belongs to it, the easier it will be to retract any rash opinion which may have been given, and to proceed with caution to the completion of the arrangement; if, on the other hand, that influence has been as sensibly felt as it was powerfully exerted, an acknowledgment of the difficulties with which Ministers have had to contend will account for, and in some degree extenuate, mistakes, though it certainly does not preclude a deliberate investigation of any errors into which they may have been seduced or impelled.

The following paragraph in Lord Melville's letter of the 21st of March, 1812, contains a short summary of those errors. "As far as relates to the trade with
 "India and several other countries, included within
 "the limits of the Company's charter, the Court do
 "not appear to have succeeded in establishing the
 "proposition, that any detriment will arise to the
 "public interest, either in this country or in India,
 "or ultimately even to the interests of the Company

“ themselves, from the introduction of private adven-
 “ turers. If the Company carry on their trade more
 “ expensively and with less activity and industry than
 “ British individuals, it is unjust to the country, as
 “ well as to the inhabitants of British India, that the
 “ exclusive monopoly should be continued; and in
 “ such a state of things, the trade is more likely to
 “ be advantageous to the country and beneficial to
 “ the individuals, in their hands than in those of the
 “ Company: but if the latter shall conduct it with
 “ skill and enterprise, and with due and unremitting
 “ attention to economy, the extent of their capital,
 “ and the superior facilities which they must continue
 “ to possess, of providing their investment in India
 “ at the cheapest rate, will undoubtedly afford them
 “ the means of successful rivalship with all other
 “ competitors.”* The proposition which the Court
 had endeavoured to establish was; “ that the unli-
 “ mited freedom for which some persons had of late
 “ years contended, would have *political consequences*
 “ more injurious to the power of this country and of
 “ British India, than the advantages anticipated by
 “ sanguine minds could compensate if those advan-
 “ tages were to be realized; and that, moreover, the
 “ expectation of such advantages is unfounded, re-
 “ sulting from general presumptions, which are con-
 “ tradicted by the nature of the Indian people, cli-
 “ mate, and productions, and by the experience of

“ more than two centuries.”* If this be not the proposition alluded to by Lord Melville in the letter above quoted, he has chosen to leave out of sight that upon which the Court of Directors thought fit principally to rest their case. If he alludes to it and at the same time denies its truth, he less impeaches their judgment, than the opinions of the most eminent statesmen who have taken a part in the affairs of India, for half a century past, opinions sanctioned within that period by eight decisions of the Legislature.† From the way in which his Lordship contrived to get rid of the objections to the scheme in contemplation, which were contained in that proposition, one might be led to suppose that the Court of Directors had searched their earliest records for some musty maxim upon which to found a new-fangled pretension, or that they had dipped into the impure sources of oriental fable, to collect matter of groundless apprehension and visionary alarm, whereas their only aim, in their correspondence with His Majesty’s Government, seems to have been to vindicate the policy of existing laws, and to defend the doctrine of the Constitution, in relation to the British possessions in India.

* Letter from the Chairman and Deputy, dated 13th Jan. 1809. Printed Papers, page 20.

† 17th George II. Cap. 17.—7th George III. Cap. 57.—9th George III. Cap. 24.—13th George III. Cap. 64.—19th George III. Cap. 61.—20th George III. Cap. 56.—21st George III. Cap. 65.—33d George III. Cap. 52.

The whole tenor of the letter from the Chairman and Deputy, dated the 13th of January, 1809, is in perfect unison with the principles maintained by the late Lord Melville, and with the sentiments which he was at pains to avow on all occasions, when the merits of our Indian system were brought into discussion. In a letter dated the 2d of April, 1800, and addressed by the Right Hon. Henry Dundas, as President of the India Board, to the Chairman of the Company, upon the subject of the private trade, he thus expressed himself. “ I set out with disclaiming being
 “ a party to those opinions which rest upon any ge-
 “ neral attack of the monopoly of the East India
 “ Company, either as to the government or com-
 “ merce of India. My sentiments, in that respect,
 “ remain exactly the same as they were when I moved
 “ the renewal of the charter in 1793 ; and if any
 “ thing, I am still more confirmed in the principles
 “ I brought forward at that time. That a direct in-
 “ terference by Government in the affairs of India, is
 “ necessary for their stability and uniformity, I am
 “ more and more convinced ; but that the ostensible
 “ form of government, with all its consequent extent
 “ and detail of patronage, must remain as it now is,
 “ I am persuaded will never be called in question by
 “ any but those who may be disposed to sacrifice
 “ the freedom and security of our constitution, to
 “ their own personal aggrandizement and ill-directed
 “ ambition. I remain equally satisfied as to the
 propriety of continuing a monopoly of the trade

“in the hands of the East India Company. Those
 “who maintain the reverse, appear to me to be
 “misled by general theories, without attending to
 “the peculiar circumstances of the trade they are
 “treating of. *Viewing it as a mere commercial ques-*
 “*tion, I believe this proposition to be a sound one : and*
 “*if the trade were laid open, the supposed advantages*
 “*thence arising, are at best very problematical, and*
 “*would certainly be very precarious and short-lived.*
 “The same principles which prove the necessity of
 “the present form and mode of Indian government,
 “evince the necessity of the monopoly of trade. The
 “government and the trade are interwoven together,
 “and we have only to recur to a very recent expe-
 “rience, to learn the immense advantages which have
 “flowed from that connexion of government and
 “trade. By the commercial capital of the Company
 “at home, acting in connexion with the public re-
 “venues under their administration abroad, they
 “have mutually aided and administered to the wants
 “of each other, and the result has been the fortunate
 “achievement of those brilliant events, upon the
 “success of which depended the existence of the
 “government, the territorial wealth, and the trade
 “of India.” After recommending that a proper
 channel should be provided for the remittance to
 Great Britain of the fortunes acquired by individuals
 in India, he proceeds : “If I am asked whether, in
 “stating this principle, I mean that the trade to and
 “from India, in the common use of the terms, ought

“ to be free and open to all His Majesty’s subjects in
 “ India? I answer distinctly in the negative. The
 “ nature of the Indian manufacture, and the imme-
 “ morial habits of the manufacturers, exclude the
 “ practical application of so indefinite a principle to
 “ the export trade from India. The manufacture of
 “ the finer and more valuable fabrics of India, have
 “ always been produced by advances from the go-
 “ vernment, or individuals for whose behoof those
 “ fabrics are manufactured, and if the dealing with
 “ those manufacturers was to be laid open to the
 “ uncontrolled competition of every individual, the
 “ consequence would be a boundless scene of confu-
 “ sion and fraud, and ultimately the ruin of the ma-
 “ nufacturers themselves.” * * * * * “ It
 “ is immediately connected with the observations last
 “ offered, to consider by what agency is the trade of
 “ individuals in India to be carried on? If this
 “ question was to be decided on the principles of an
 “ open and free trade, the answer to the question
 “ would be, that every individual should send out or
 “ employ any agent he thought best to manage his
 “ own business. But from what I have already stated
 “ on the former point, you will anticipate my opi-
 “ nion on this; namely, that no agent should be
 “ employed in India, or permitted to reside there,
 “ except with the license of the East India Company,
 “ and subject to the control of such regulations, as
 “ the habits, prejudices, and trade of the country
 “ may render expedient. In addition to every other

“ consideration, arising out of the peculiar nature of
 “ the trade and manners of the country, there is one
 “ decisive circumstance against the tolerance of every
 “ unlicensed adventurer in India. It would rapidly
 “ and insensibly lead to the settlement and coloniza-
 “ tion of the worst kind of adventurers taking root in
 “ that country, than which there could not be a
 “ more fatal blow to the permanence of the British
 “ power and pre-eminence in India. No principle
 “ ought ever to be tolerated or acted upon, that
 “ does not proceed on the basis of India being
 “ considered as the temporary residence of a great
 “ British establishment, for the good government of
 “ the country upon steady and uniform principles;
 “ and of a large British factory, for the beneficial
 “ management of its trade upon rules applicable to
 “ the state and manners of the country.”

* * * * * “ In some of the many specula-
 “ tions I have heard, and the publications I have
 “ perused on this subject, it is usual to ask in a tone
 “ of complaint, if it is not unjust and unfair that the
 “ merchants and shipping of this country, other than
 “ the shipping of the East India Company, should
 “ be excluded from a participation of that trade
 “ which is allowed to the subjects of foreign nations ?

“ The statement at first sight may appear plau-
 “ sible ; but when examined to the bottom, it has
 “ no solidity. In truth, it is only another mode of

“ objecting to the monopoly of the East India Com-
 “ pany. If there are reasons of sound policy, why
 “ the Legislature has decided that the India trade
 “ should be carried on by a monopoly, it is because,
 “ viewing the interests of the public as one aggre-
 “ gate, it is of opinion, that those interests are best
 “ cared for by that mode of conducting the trade.—
 “ Those, therefore, who state this objection, being
 “ themselves part of that whole, are, in ~~com~~mon with
 “ the rest of His Majesty’s subjects, reaping the be-
 “ nefit of that influx of national wealth and capital
 “ which the East India trade, so conducted, brings
 “ into the national stock. They cannot, therefore,
 “ more than others, because their occupation hap-
 “ pens to be that of merchants or ship-owners, com-
 “ plain of being injured by the means which the
 “ wisdom of Parliament has devised for introducing
 “ that flow of wealth into the kingdom.

“ The case is totally different with regard to the
 “ subjects of foreign nations. They are not the
 “ objects of the care of the British Legislature;
 “ neither are their interests at all in the view of its
 “ provisions. They reap no benefit, but the reverse,
 “ from the growing wealth and prosperity of the
 “ British empire; and therefore are in no respect on
 “ a footing of comparison with any of the subjects of
 “ this country, to whom the restraints of the Com-
 “ pany’s charter, for the reasons already assigned,
 “ do with perfect propriety apply.

“ It is quite a separate question, how far it would
 “ be right to hold our Indian possessions upon prin-
 “ ciples of colonial monopoly ? and it would be de-
 “ viating from the strict matter of the objection, to
 “ enter into that discussion in this place. It is suffi-
 “ cient in point of fact to observe, in answer to the
 “ merchants and ship-owners, that it is thought ex-
 “ pedient for the interests of the empire at large, that
 “ the East India possessions should not be regulated
 “ on the principles of colonial exclusion ; and there-
 “ fore no part of the subjects of Great Britain can
 “ be permitted to set up a separate interest of their
 “ own against that general policy. If the colonial
 “ principle was to be applied to the Indian territories,
 “ it would not advance by one step that separate in-
 “ terest set up by the merchants and ship-owners, to
 “ which I now refer.”

In reply to the question, Why the merchants and
 ship-owners, subjects of His Majesty, resident in
 Britain, should not have the same indulgences which
 are contended for by His Majesty's subjects resident
 in India? Mr. Dundas observed, “ The answer is
 “ plain and conclusive : in contending for this indul-
 “ gence to the British subjects resident in India, I
 “ am contending for a material national interest,
 “ which is no other than this, that their fortunes,
 “ capitals created in India, should be transferred
 “ from that country to this, in a manner most be-
 “ ficial for themselves and the kingdom at large.”

“ place of being transferred through the medium of
 “ the commerce of foreigners, and thereby adding to
 “ the wealth, capital, and navigation of foreign
 “ countries. There is not a single circumstance in
 “ which this applies to the case of merchants in this
 “ country. It might be proved, if necessary, that
 “ the only effect of giving such an indulgence to the
 “ merchants resident in this country, would be a
 “ temptation to withdraw a part of the capital of the
 “ country, from a more profitable trade and more
 “ beneficial application of it, in order to divert it to
 “ another trade, less profitable to themselves and less
 “ beneficial to the public. Without, therefore, one
 “ single reason, either of private justice or public
 “ policy, it would be introducing a rival capital in
 “ India, against the remittance trade of the East
 “ India Company, and in competition likewise with
 “ those individuals whose capitals, by the proposed
 “ indulgence, it is wished to transfer to Great Bri-
 “ tain. It is argued that the extension of this indul-
 “ gence to the British merchants, would be an addi-
 “ tional encouragement to the export of British
 “ manufactures. I need only observe that the argu-
 “ ment proceeds on an erroneous view of the subject.
 “ The export trade to India can never be extended in
 “ any degree proportionate to the wealth and popula-
 “ tion of the Indian Empire, neither can the returns
 “ upon it be very profitable to individuals. Those who
 “ attend to the manners, the manufactures, the food,
 “ the raiment, the moral and religious prejudices of

" that country, can be at no loss to trace the causes
 " why this proposition must be a true one. The im-
 " portance of that immense empire to this country, is
 " rather to be estimated by the great annual addition
 " it makes to the wealth and capital of the kingdom,
 " than by any eminent advantages that the manufac-
 " tures of the country can derive from the consumption
 " of the natives of India. I do not mean to say that
 " the exports from this country have not been very
 " considerably increased of late years, and I make
 " no doubt, that from recent circumstances, they
 " may still be considerably increased. But the pro-
 " spect, from the causes I have already referred to,
 " must always be a limited one, and I am positive that
 " the shipping and collections of the East India Com-
 " pany, joined to the returned cargoes of those ships
 " which bring home the private trade of India, is
 " more than adequate to any present or future in-
 " crease of export trade that this country can look
 " to upon any rational ground of hope." * * *
 * * * " With regard to the agents to be employed
 " at home, to manage the private trade of individuals
 " from India, and to take care of their interest in
 " the cargoes of the returning ships, I do not see the
 " use of any interference by the Company. *The*
 " *great interest to be attended to on the part of the*
 " *Company, is that no goods come from India that are*
 " *not deposited in the Company's warehouses, and that the*
 " *goods so imported are exposed at the Company's sales,*
 " *agreeably to the rules prescribed for that purpose.*"

On a perusal of the whole correspondence which took place between Mr. Dundas and a Committee of the Court of Directors in 1800 and 1801, it will be *seen that there was a perfect agreement in principle, and a complete coincidence in general views,* although there was a considerable difference of opinion upon some matters of detail. The President of the India Board had stated in the letter above quoted, the inadequacy of the provision for the private trade in the act of 1793, and urged the expediency of *allowing British subjects resident in India, to send home their funds in India built ships.* The Court professed their readiness to give every facility to the trade of remittance from India, but they contended that this, like the other branches of the trade, ought to be carried on through the medium of the Company's ships, and that the scheme for permitting British merchants resident in India, to introduce both their capital and ships into the trade, contained a principle of indefinite enlargement, which would gradually change the character of the existing intercourse. By the arrangement which took place in 1802, the difference was compromised, and India built ships were admitted into the trade, the Company reserving to themselves the power of freighting them, on private account. But before this arrangement was concluded, and while the discussion was still pending, it will appear from the following extract from Mr. Dundas's speech in opening the India budget for the last time in the House of Commons,

on the 12th of June, 1801, that the difficulties which were started by the Court of Directors to some part of the measure recommended by him in the preceding year, *had not in the least altered his sentiments and views respecting the constitution of the Company, or the general policy on which that constitution was founded, and by adhering to which it could alone be maintained.* “ Many objections have been, from time to time, raised to the policy of the restrictions imposed by the Legislature on the trade of the East, and to the exclusive privileges placed in the Company. My decided sentiments on this subject are well known: I will therefore only now advert to it, by observing, that at the renewal of the charter in 1793, the Legislature shewed every disposition to adopt such arrangements as might secure to this country as large a share of the Indian trade as possible. If any of the arrangements then made, have been found by experience inadequate to the object in view, the wisdom of the Legislature, and I trust a liberal and wise policy on the part of the East India Company, will concur in correcting former error. The manner in which this shall be done, consistent with those regulations which Parliament has thought proper to impose, has long been under serious consideration. Many indulgences have already been granted to individuals, and I have no doubt that ultimately such a plan will be determined upon, as shall be the means of affording all the satisfaction which in reason and

“ justice can be expected. In doing this, I certainly
 “ do not mean to exclude every degree of proper
 “ caution, for I have no hesitation in expressing my
 “ thorough conviction of its being incumbent on
 “ those with whom the final arrangement of this very
 “ important branch shall rest, never to lose sight of
 “ those salutary maxims which have been prescribed by
 “ long experience, and that they be strictly upon their
 “ guard that substantial and permanent benefits may not
 “ be sacrificed to casual and perhaps illusory schemes of
 “ gain.*

* That these sentiments were not peculiar to the late Lord Melville, will appear from the following extract from a useful pamphlet, published by an officer of the India Board in 1793.

“ On the grand point, that of opening the trade altogether, we
 “ have as yet seen no specific, well-digested plan offered to the
 “ public eye. It, however, can hardly be supposed, that even the
 “ most zealous advocates for a new system, can be desirous of seeing
 “ the present mode of conducting the trade determined, and
 “ the future trade left to hazard and chance. A measure more
 “ preposterous and absurd, nor any so fraught with ruin and
 “ mischief to the general interests of the empire, as affecting
 “ the political, the mercantile, and the financial concerns both of
 “ Great Britain and India, could not be devised or imagined by an
 “ enemy to both.” * * * * * “ In this discussion we
 “ have carefully avoided quoting any of the arguments used upon
 “ former occasions for and against an exclusive trade, because by
 “ the acquisition of kingdoms and provinces, the Asiatic trade has
 “ since those times undergone an entire change, insomuch that
 “ the order and system which formerly obtained in the conduct of
 “ it, seem now to be perfectly inverted. The point contended for

Such were the opinions entertained by the late Lord Melville, after having devoted twenty years of a laborious life to the study of Indian affairs, and after having held for seventeen of those years the highly responsible office of President of the Board of Commissioners. He admitted, on retiring from office with the present Viscount, "that the system established by the act of 1793, for the trade of individuals between Great Britain and India, had not answered the expectations, or fulfilled the intentions of the Legislature." Whether after the extension given to that system in 1802, he still re-

on those occasions was simply mercantile. The subject now spreads itself into a wider field: it attaches to it *political concerns* of high importance as well as those of *commerce and finance*. At those times a change in the existing system was of little comparative consequence; the exports and imports were *small*, and the revenue by customs, if it had suffered, could easily have been made good; for the *National Debt* was then moderate, the objects left for taxation were numerous; and the real and personal assets of the Company, were more than sufficient after the discharge of their debts, to make good the value of their capital stock; it became therefore a question fairly determinable by the weight of public opinion, how the India trade might be best conducted, without involving in its consequences those important rights and interests which seem now to depend on the continuance of the present system of conducting the Government revenues and trade in all its essential parts." *A Short History of the East India Company, and of their Trade to India and China, by Francis Russell, Esq.*; 2d edition, pages 41 and 45.

How much greater weight have not these considerations acquired since 1793?

maintained of opinion, " that it did not afford all the sa-
 " tisfaction which *in reason and justice could be ex-*
 " *pected,*" public documents furnish no means of judg-
 ing. But every person who reads the above quota-
 tions with attention, must be persuaded that he never
 would have become a party to the proposition made
 by his successor as a *sine qua non* of the renewal of the
 Company's privileges " that *British merchants and*
 " *manufacturers* shall be permitted to trade to and
 " from India, and the other countries within the
 " present limits of the Company's exclusive trade,
 " (the dominions of the emperor of China excepted),
 " in ships and vessels hired or freighted by them-
 " selves, instead of being confined as at present to
 " ships in the service of the Company, or licensed by
 " the Court of Directors," far less that he would
 have concurred in the opinion more recently ex-
 pressed, " that the legislature will best consult the
 " public interest by not confining the import trade
 " from the East Indies to the port of London." It
 is probable indeed, that he would not have dissented
 from the first proposition, in so far as it goes to put
 an end to the Company's agency in freighting ships
 for individuals, (an agency which it is equally proba-
 ble the Company would not be indisposed to relin-
 quish); but to the first part of the proposition we
 have his distinct negative upon record, as likely if
 acted upon, " to occasion a boundless scene of con-
 fusion and fraud, and ultimately the ruin of the
 manufacturers themselves; as tending to introduce

“ without one single reason, either of private justice
 “ or public policy, a rival capital in India, against
 “ the remittance trade of the East India Company,
 “ and in competition likewise with those individu-
 “ als whose capitals it is wished to transfer to Great
 “ Britain; in fine, as leading rapidly, though insen-
 “ sibly, to the settlement and colonization of the
 “ worst set of adventurers in that country, than
 “ which ~~there~~ cannot be a more fatal blow to the
 “ permanence of the British power in India.” And
 in reference to the extension of the trade to the out-
 ports of the kingdom, we have also his recorded opi-
 nion, “ that THE GREAT INTEREST to be attended to
 “ on the part of the Company, is that no goods come
 “ from India, that are not deposited in their ware-
 “ houses, and disposed of at their sales.”

During the whole course of the negociation, there
 is not to be found in the correspondence on the part
 of the Court of Directors, a single position which had
 not been advanced, and insisted upon by the late
 Lord Melville, as of primary importance to the in-
 terests both of the Company and the empire at
 large, nor is there any indulgence to the private
 trade which he thought it safe and expedient to grant,
 which the Court have not generally professed their
 willingness to concede. They have maintained with
 that experienced statesman, that a departure from the
 principle of the act of 1793, (by which the trade with
 India was placed under a regulated monopoly) is

pregnant with political mischiefs, without affording the prospect of any equivalent advantage; while at the same time they have disclaimed "all narrow considerations of commercial profit, or commercial jealousy,"* and have announced "their readiness to enter into a serious inquiry concerning the concessions which can be made to the public, without trenching upon the principles," not asserted for the first time in their letters, but "established in that act."† And the negociation seems to have been suspended in April 1812, in consequence of a difference of opinion between His Majesty's Government and the Court, not respecting a concession deducible from the principle of the act of 1793, but respecting an *extreme concession*, (the opening of the trade to the outports), arising altogether out of a *new principle*, and against which the Company had been specially warned by a distinguished member of an antecedent government, that *it was their great interest to guard*.

The writer, or rather the compiler of these sheets, (for hitherto they have consisted of little more than a compilation of the opinions of others), has formed too just an estimate of his own talents to be guilty of the presumption of supposing, that he can urge any thing effectual in the way, either of enforcing the arguments which have been employed by the

Court of Directors, sanctioned as they have been by the concurrence of former Governments, and the past decisions of the Legislature, or of influencing the views of those with whom it will ultimately rest, to decide upon a great question of national policy. The short retrospect that has been taken of the relative situations of the different parties interested in the discussion, may, however be useful ; and though the observations that occur in the sequel, may not throw any new light upon the subject, still it is hoped that they will not be found altogether unworthy of attention by those who are disposed to candid inquiry.

In the early period of European intercourse with India, and previously to the acquisition of territory, the amount of the exports thither, in commodities from Europe, was very trifling. The investments for the home markets of the different nations engaged in the commerce were principally purchased with bullion, and almost all the *direct* advantage of the trade arose from the profits on the sales of those investments.* In proportion as territory was acquired,

* The following passage from Montesquieu, contains an apt illustration of this position, and indicates also the conclusion to which it leads. "Quoique le commerce soit sujet à de grandes revolutions, il peut arriver que de certaines causes physiques, la qualité du terrain ou de climat, fixent pour jamais sa nature.

"Nous ne faisons aujourd'hui le commerce des Indes, que par l'argent que nous y envoyons. Les Romains y portoient toutes

the European residents increased, and of course drew from home a supply of commodities suited to their original habits and wants. But their numbers were

“ les années environ cinquante millions de Sesterces. Cet argent, comme le nôtre aujourd’hui, étoit converti en marchandises qu’ils rapportoient en occident. Tous les peuples qui ont négocié aux Indes, y ont toujours porté des métaux et en ont rapporté des marchandises.

“ C’est la nature même qui produit cet effet. Les Indiens ont leurs arts, qui sont adaptés à leur manière de vivre. Notre luxe ne sauroit être le leur, ni nos besoins être leur besoins. Leur climat ne leur demande ni ne leur permet presque rien, ~~de ce~~ qui vient de chez nous. Ils vont en grande partie nus, les vêtements qu’ils ont, le pays les leur fournit convenables; et leur religion, qui a sur eux tant d’empire, leur donne de la répugnance pour les choses qui nous servent de nourriture. Ils n’ont donc besoin que de nos métaux qui sont les signes des valeurs, et pour lesquels ils donnent des marchandises, que leur frugalité et la nature de leur pays leur procure en grande abondance. Les auteurs anciens qui nous ont parlé des Indes, nous les dépeignent telles que nous les voyons aujourd’hui quant à la police, aux manières et aux mœurs. Les Indes ont été, les Indes seront ce qu’elles sont à présent; et dans tous les tems, ceux qui négocieront aux Indes, y porteront de l’argent, et n’en rapporteront pas.” *De l’esprit des loix, Livre xxi. Cap. 1.*

When the President Montesquieu wrote this chapter, he did not foresee the change that has taken place in the commerce between Great Britain and India resulting from the acquisition of territory, and the subsequent conversion of a trade of barter into a trade of remittance. But his remarks are strictly applicable to the grounds on which the private traders now rest their pretensions, and are also in direct opposition to their views.

comparatively so small that this demand, with all the warlike stores and clothing for the troops in the service of the European states, formed but an inconsiderable export. Rivalship in trade between those states at length begot political hostility, and the result of that hostility (whether fortunately or not, it is of little consequence now to inquire) has put Great Britain in possession of a vast Empire in Asia. It would indeed have been a barren conquest if it had afforded no rational prospect of rewarding, by some means or other, the toil and expense of acquiring, as well as the trouble and cost of administering and defending it. A *surplus Revenue* was expected from the Company's territories (obtained in part by purchase, in part by conquest, and in part by cession), after all the charges connected with the government and management of them were defrayed. This surplus, rendering unnecessary, or at least diminishing the former export of bullion from England, was to be realized through the channel of the homeward trade. Whether this expectation was reasonable or not, and whether, if reasonable, it has not been defeated by mismanagement, are fair and proper questions, but not the immediate subjects of inquiry. The statement, as it stands, serves various purposes. It shews, that prior to the possession of territorial dominion by European nations, the trade with India consisted in an exchange of its commodities for their bullion, not for European commodities; it shews that one of the ex-

pected effects of the acquisition of territory by this country, was a trade of remittance homeward superseding more or less the export of the precious metals; and it leads to a consideration of the system under which it has been at least attempted to establish that trade of remittance. The importance of each and all of these points is manifest, when we attend to the grounds on which the present expectations of the mercantile and manufacturing classes are founded, and to the radical change which an endeavour to gratify such expectations must necessarily induce into the whole system of our Indian policy.

The great source of the prevailing notions seems to be a mistaken idea, that our Asiatic territories present an advantageous market for British produce and manufactures. This idea probably originates in a natural though inconsiderate comparison of the general state of India with that of our American colonies, while in truth no two things can be more at variance. The islands in the West Indies are peopled by Europeans, having the same wants and habits with ourselves; by Africans in a state of servitude, which subjects them morally, as well as physically, to the will of their masters; and by a mixed race, whom necessity, constitutional bias, habit, and example, have inured to our mode of living. Almost every thing that the joint population consumes and uses is sent from this country; their

clothing, great part of their food and drink, their household furniture and utensils, their trinkets and ornaments, their instruments of cultivation, the harness for their horses, mules and cattle, and the machinery for the manufacture of their raw produce. The planter unites in himself the several characters of a cultivator, a manufacturer, and a merchant; and in all these capacities he is more dependent on the mother country for supplies, than she is upon returns from her colonies.—How different the state of India! There a fertile soil yields every thing necessary to supply the wants and to conduce to the comfort of its inhabitants; a refined and ingenious people, have long since carried many of the arts to a still unrivalled pitch of perfection; their manners and civil institutions, grafted upon and combined with their religious tenets, are immutable because they are sacred; the same occupations and professions have descended in the same families during a lapse of ages, in a line of undeviating succession; the artificial distinction of castes has erected barriers between the different classes of society, which it is impossible to break down or overpass. The division of labour, which has contributed so much in Europe to mechanical improvement, is not only practically unknown to the natives of India, but is incompatible with their prejudices and customs. Their domestic economy is as unchangeable as their geographical position upon the face of the globe. They want nothing from us, and many of the superfluities

with which we could furnish them, their religion has taught them to abstain from, or to hold in abhorrence. Even the demand for the finer sort of woollens, which used to be in considerable request while the native courts were in their splendour, is sadly impaired, and the little that remains is now confined entirely to the Company. This state of things we cannot change, and as it is impossible to fashion circumstances to our policy, we must be contented to accommodate our policy to the circumstances in which we are placed. Hence it follows, that the commodities exported from India must be purchased there by the precious metals, as was anciently the practice, or be remitted, conformably to the present system, in the shape of tribute, or surplus revenue, or in the fortunes of individuals, realized in the course of administering the various branches of the Government.

Whether any country can for a long period of time afford to yield a considerable tribute without receiving a commercial return, in one form or other, is a curious question of political economy; and those who are disposed to support the negative of the proposition, will have some difficulty in shewing the utility of our territorial acquisitions in India. If it is impracticable in the present channel to realize a perpetual tribute, it will be equally so in any other channel through which it may be attempted. The difficulty will neither be obviated nor lessened by transferring

the right of conveyance from the East India Company to the great body of British Merchants, and the question for Parliament to deliberate and decide upon will be, not how the trade shall be carried on, but whether our possessions in India shall be retained or abandoned?

Those, on the other hand, who may be of opinion that the surplus produce of the land and labour of an extensive and fertile country, inhabited by a numerous and industrious population, can afford to pay for security, the equal distribution of justice, and the various advantages emanating from a vigorous and enlightened Government, will probably admit that all the trouble, expense, and responsibility should *not* be imposed upon one class, whilst all the benefit is allotted to another class of individuals; that the East India Company should *not* be loaded with all that is burdensome in the Indian connexion, if they are to be excluded from the fair recompense of capital, enterprise, and laborious management.

It has been urged with more confidence than candour, that it is idle to talk of a surplus revenue from our Indian territories; that none of the promises that have been made on this subject in time past, have ever been fulfilled; and that any expectations which may now be held forth will be productive only of new disappointment. But before coming to so hasty a conclusion, let it be recollected that the East India

Company had been for a long period incessantly engaged in expensive wars, both in India and in Egypt; that these wars have terminated successfully for the Company, and gloriously for the country; that it has been subjected to a great expense in fitting out expeditions for the reduction of the Eastern settlements of the European enemies of Great Britain; that by the prosperous issue of these expeditions, the dominions of the Crown have been extended, and England left without a rival in the whole southern hemisphere. Let it also be considered, that peace in India is now established upon a foundation which promises to be permanent; that whilst the Company's debts do not much exceed twenty-eight millions, its annual revenues amount to considerably more than fifteen millions sterling—that this revenue is collected with greater ease and punctuality than the same sum is realized in ~~any~~ country under Heaven, the balance remaining unacquitted at the end of three months immediately following the close of the official year (as appears from documents before the public*), not exceeding a half per cent. in the old territories, and falling short of two per cent. in the provinces more recently acquired; that the beneficent effects of their mild system of administration, matured by

* Second Report of the Select Committee of the House of Commons, on the Affairs of the East India Company, ordered to be printed 11th May, 1810.

experience, and consolidated by time, is attested by the increasing confidence of the natives, the progressive improvement of the agriculture and internal commerce of India, and a reduction of from two to four per cent. upon the interest of their debt. And after enumerating these considerations, the adversaries of the Company may safely be challenged to produce an instance in the history of the world, in which equal glory and equal advantage have been attained by equal means; where the sacrifices that have been made bear so small a proportion to the objects which have been secured, and where the burdens of the Government are so light when compared with its resources.

Nothing, however, tends so much to obscure the prospect before us, as the approach of hasty and inconsiderate innovation. It was by extreme caution and by rejecting every measure that wore an unknown aspect, that our power in India was obtained, and can alone be preserved. While the Company acted in the simple capacity of merchants, they confined themselves to their factories, occupied solely by the concerns of their trade. Even after acquiring territory, they did not venture to govern in their own name. During the existence of what was termed the double Government, the administration was conducted by natives of rank on behalf of the Company, but in the name of the Mogul. The direct appearance of the Company in the

Government is comparatively of modern date, and though the change has certainly been most beneficial upon the whole, yet but for the absolute control exercised by the local Governments over their own servants, as well as every European licensed to reside within their territories, it could not have failed to produce the most mischievous effects. The exercise of this control is easy or difficult, in exact proportion to the number over whom it is extended. Every thing bearing the semblance of arbitrary power, is so inconsistent with the principles, feelings and habits of British subjects, that it must always be submitted to by them with reluctance. Thus measures of indispensable precaution would, in certain circumstances, be represented by those affected by them, as insupportable grievances, and acts of heavy oppression. The imprescriptible rights of Englishmen would be pleaded against the mandates of authority; men having a common interest would make common cause; numbers would give confidence to the discontented, and a formidable opposition be arrayed against the government. Under the *native* Governments in their pristine vigour, such effects could never have been apprehended. They would have consulted their own interest by summary means, and paid little attention to the convenience or remonstrances of obnoxious individuals: but weakened as the sovereign authority in India already is to a certain degree, by the hands in which it is placed, it would be worse than imprudent, it would be fool-

hardy in the extreme to expose it to attack from a new class of settlers, difficult enough to be controlled even when they exist in small numbers, and who, if allowed to multiply, would break down all restraint.

It is well known that there is a class of politicians in this country, who treat these dangers as phantoms proper only to impose upon the weak and alarm the timid, and who are so little afraid of innovation as seriously to recommend the encouragement of colonization in India, instead of preventing its commencement and checking its progress. The persons alluded to, gravely contend that our Indian Empire must be a useless and burdensome appendage, until the plains of Hindostan are peopled by a race of European extraction, with their industry guided by British ingenuity, and stimulated by British capital. Independence they regard as the *euthanasia* of colonization; and in the ardour of their enthusiasm they view the separation of the American colonies from the parent state, and the consequences which have resulted from it to the new and the old world, as a happy omen of a revolution in Asia, proceeding from the same causes, and pregnant with similar results. These gentlemen, however, seem to forget that fifty millions of people stand in the way of their project;—that the present population must be extruded or exterminated before it can be carried into effect;—that this is an undertaking equally above our means

and our warrant;—that the conduct of Spain in South America (from which, rather than from the policy of England, in the northern provinces of that Continent the precedent seems to be drawn) has hitherto excited more abhorrence than admiration,—and that if the scheme were as successfully executed as it is mercilessly conceived, the expectations founded upon it must inevitably be defeated by the universal tendency of men as well as of animals and plants, not indigenous to the climate of Asia, to degenerate, when transplanted thither, in the course of a few generations. In proof of the last proposition, an appeal might be made to the degraded condition of the descendants of the Portuguese and Dutch colonists upon the Coasts and Islands of India, but in opposition to all the reveries of these theorists, it will be sufficient to quote the practical wisdom of the late Lord Cornwallis.—“ I am strongly impressed “ with a conviction,” says that venerable nobleman, in a letter to the Government at home, dated November 1794, “ that it will be of essential importance to “ the interest of Britain, that Europeans should be “ discouraged and prevented as much as possible, “ from colonizing and settling in our possessions in “ India.”

The grounds on which this opinion was formed were partially detailed in a letter from this eminent man to the Court of Directors, dated the 1st. of November, 1788, a document well worth the attention

of the merchants of this country, as well as of the Legislature, at the present juncture.

“ The exposition now given of the usual manner
 “ of providing goods here, and of the consequent
 “ restraints necessary upon manufacturers, serves to
 “ point out what the true principle of *freedom of*
 “ *trade* in this country must be. A great deal has
 “ been said on the subject, and apparently in refer-
 “ ence to the state of things in Europe, where in
 “ every branch of manufacture there are opulent
 “ men that work upon their own stock, and where
 “ the markets, supplied by goods thus produced,
 “ leave, as they ought, the seller and buyer per-
 “ fectly unrestrained. But here the single circum-
 “ stance of making advances to the manufacturer
 “ creates a great distinction. It is hence necessary
 “ to make regulations for preventing injustice, and
 “ therefore, instead of a *freedom without limitation*,
 “ to which some arguments have gone, it seems a
 “ just idea of *true commercial freedom* in the circum-
 “ stances of this country—that *all be allowed to trade*,
 “ *but according to priority of engagements and advances*
 “ *to receive their returns.*”

Upon a scheme which had been at different times suggested (and which never was more palatable than it is likely to be now) for abolishing the Company's commercial establishments, withdrawing the agents from the districts, and providing their investment

with ready money at Calcutta, his Lordship, in the same letter, made the following observations :—“ The
 “ ascendancy which the character and situation of
 “ Europeans have given them over the natives, has
 “ been already noticed, and the importance of the
 “ Company’s commercial establishments, in the hands
 “ of their servants especially, has also been seen in
 “ protecting the manufacturers and preserving the
 “ fabrics, which purposes are more likely to ~~be~~ an-
 “ swered in the hands of the Company’s servants
 “ than of other individuals. The fraudulent disposi-
 “ tion, likewise, of the manufacturers has been ob-
 “ served, and to these may be added, the still too
 “ feeble operation of laws and regulations in places
 “ distant from the seats of authority and justice. If
 “ the proposed scheme were adopted, multitudes of
 “ Europeans would flock into the interior parts of
 “ the country—they would naturally possess them-
 “ selves of the seats of the manufactures abandoned
 “ by the Company—eager competition must imme-
 “ diately arise—enhanced prices, and debased fabrics
 “ follow—the weavers would receive advances from
 “ all, and, probably, disappoint all—each would be
 “ ready to take redress at his own hands—disputes
 “ between merchants, as well as between them and
 “ the manufacturers, would be inevitable—and the
 “ country thus, in all probability, become a scene of
 “ confusion and disorder, which the distant situation
 “ and other avocations of the collectors would little
 “ permit them to rectify. How far a salutary

“freedom and extension of commerce would be promoted by such means, it cannot be hard to determine.”

Though the foregoing extracts seem to present a mercantile view of the case only, they point to considerations of a general nature, which were strongly urged upon the attention of the authorities at home, in ~~other~~ despatches of the same virtuous and enlightened Statesman, as bearing directly upon the great question, *How the dominions which have been acquired for Great Britain in India can be best PRESERVED?* If in the progress of the approaching discussions this grand political question ever should be lost sight of, or if the primary object of *security* should eventually be made to give way to considerations of inferior moment, the evils that are likely to ensue it is easy to foresee, but dreadful to contemplate.

Generally speaking, the system under which possessions have been acquired, will be found the most effectual for their maintenance, particularly if that system has been so far matured as to provide for their consolidation and defence, their civil organization and internal quiet, their substantive resources and relative dependency. The policy of altering an established system may be influenced by various considerations, the evils found by experience to be such as attached to it, the power of correcting those evils

without incurring the risk of greater mischief, the character and habits of the people governed, and a multiplicity of circumstances incident to the sovereign authority, in whomsoever vested. It is universally admitted, that innovations of every description are more hazardous in India than in any country on the face of the earth; and if one thing has contributed more than another to the preservation of British ascendancy in that quarter, it has been a stedfast adherence to the principle of abstaining from all interference with the customs, opinions, and prejudices of the natives, and of proceeding with the utmost caution and deliberation in adopting the most obvious improvements; to a desire on our part to get acquainted with their manners, laws, and religion, solely for the purpose of testifying our respect for them; to a delicate regard for every thing that was wise and good; and a prudent forbearance with whatever appeared to be absurd or ill digested in their manners and institutions: in a word, it has been to firmness tempered by much accommodation in our deportment, and to plain dealing in our transactions, that we owe all that we have acquired; and it is only by persevering in the same line of conduct that we can hope to retain what we hold. This principle, however, could never have been acted upon with systematic uniformity, had no limits been imposed to the number of resident Europeans. Every government, in virtue of its constituent attributes of punishing and rewarding its own

servants, may prevent gross abuses on their part, and even give a tone to the manners of those whom it employs; but it would be impossible for any government, however absolute, vigilant, and energetic, to watch, control, and regulate a numerous European population, dispersed over the widely-extended provinces of India. It will perhaps be urged that these observations are unnecessary. because there is no intention of permitting a free ingress of Europeans into our Indian territories. But it is of very little consequence that this is not the professed basis, if it shall prove the actual, though unavowed consequence of the new arrangement.

Liberty of trade presupposes every facility of carrying it on to advantage. It supposes that those who take cargoes to India shall have a choice of markets; that if they are disappointed at one place, they shall be allowed to transport them to another; that *there* they shall be permitted to remain until their transactions are finished, or rather until they choose to *confess* that their business is brought to a close; for it will be found quite impracticable to fix such a period for their stay, as in some cases will not give rise to hardship, and in others to abuse, and equally impracticable for the local authorities to inquire into the circumstances connected with each adventure. The making of purchases will involve still greater difficulties. Every person at all acquainted with India, knows that there are no stores of goods

at the maritime ports from which cargoes can be made up. An order in long advance must be given for the goods which it is intended to export. Part of the price must be advanced before the raw material is manufactured, sometimes before it is in existence; another part must be paid before the article is delivered, and the remainder at the period of delivery. In India there are no over-stocked warehouses, no bills at distant dates, no ~~twelve-months~~ or two years' credit. Who then are to provide the investments of the private merchants? If the servants of the Company, a conspiracy would instantly be suspected to ruin the private merchant by supplying him with bad articles at exorbitant prices. If agents are to be chosen by the merchants themselves and permitted by the Government to reside in India, the most superficial thinker must perceive that this is a trade for which an apprenticeship is necessary, and that a young man sent out to India from Liverpool, Manchester, or Glasgow, ignorant of the language and manners of the natives, would require some tuition before he could be qualified to acquit himself with advantage of the trust reposed in him by his employers. The *number* of these agents, however, is a matter of much greater anxiety than their qualifications; and to their number no probable limits can be assigned. The same reason which would prevent the private merchants, as a *body*, from intrusting the Company's covenanted servants with the purchase of

their investments, would make them distrustful of the agents selected by each other, and the only remedy seems to be, permitting every individual concerned in the trade to have his separate agent. The consequences it is easy to foretel. In the ardour of new adventure, the Indian market will soon be glutted with European produce (for at this moment it is overstocked), and the irritation resulting from disappointment will vent itself against the local governments, to whose restrictions the disappointment will be imputed. At present the *boom* only is contemplated; while the *conditions* annexed to it are overlooked.—Then the conditions will be represented as more irksome and vexatious, than the total exclusion from the trade had been. Every species of evasion will be practised, and open acts of disorder committed. The operation of the law will be eluded or set at defiance. A fertile soil peopled by a feeble and timid race of inhabitants, will tempt illicit enterprise. Those who cannot earn a subsistence by legitimate pursuits, and who have not the means of returning home, will try to live as they can, by fraud, by plunder, or by arms. The peaceable and defenceless natives will be harassed and exasperated till they are at last goaded on to resistance. All respect for the national character will be extinguished, and *opinion*, the only support of the Government, be converted into the instrument of its downfall. Popular discontent will be fomented and organized by the ambition of native chieftains, prompted and aided by the most intelligent of the

Europeans, who will seek refuge under their standards from the vengeance due to their crimes. Multitudes of idle, restless, and desperate people will flock to India from this and other countries, eager to repair their fortunes, or to attain unprincipled distinction; and instead of that fair monument which the valour, wisdom, and worth of fifty years have been labouring to rear to the fame of England, and the hallowed interests of humanity, we shall leave only the miserable traces of imbecility and discord, fields of desolation, and a pile of ruins!

These are indeed portentous reflections, and would to God they had no better foundation than in the forebodings of a gloomy or heated imagination. It happens unfortunately, however, for those who may wish to give a pleasant face to a grave subject, that they completely accord not only with the sentiments which have been expressed by every Governor of India, from Mr. Hastings down to Lord Minto, but with all past experience.*

* The emphatic language of Mr. Hastings ought never to be forgotten. "I much fear, that it is not understood as it ought to be, how near the Company's existence in India has on many occasions vibrated to the edge of perdition, and that it has been at all times suspended by a thread, so fine, that the touch of chance might break, or the breath of opinion dissolve it; and instantaneous will be its fall whenever it shall happen. May God in his mercy long avert it!" *Review of the State of Bengal*. London, 1796. Page 154.

The commercial and political evils which must result from the influx of Europeans into India, the history of our own and other countries, may teach us duly to appreciate. Thus, when Cromwel, in the year 1655, withdrew his protection from the Company, a crowd of adventurers rushed into the trade; the prices of English commodities in India were immediately reduced, while the prices of Indian produce and manufactures rose in an equal degree. The adventurers were subjected to every species of insult and indignity by the native powers, who soon discovered that the people they were dealing with did not belong to the great Company which they had learned to respect. The fall in value of Indian commodities in England, arising from eager and sudden competition, brought ruin on many of the speculators, and left no other compensation to the country for a large capital uselessly employed, than the unnatural stimulus given to rapid and wasteful consumption by low prices and a glutted market.

Another remarkable instance of the mischiefs arising from the resort of private adventurers to India, occurred in the reign of Charles II. At that time a number of private ships embarked in the trade, in defiance of the Company; and though a few of the adventurers gained by the experiment, a very large proportion were ruined in consequence of it. Nor was this all—the officers and men conducted themselves during their stay in the country with so much arrogance and impropriety, as to excite the general

indignation of the inhabitants, and to draw upon the nation the resentment of the Mogul and other native Princes. War was declared—the Company's factories were seized, and the complete extirpation of the English from India, after five years' interruption to their commerce, was with difficulty prevented by the interposition of the British Government, and the most rigorous measures against the interlopers.

The fate of the Portuguese power in the East, presents an awful warning to Great Britain. The intolerable license of the roving adventurers of that nation rendered them odious to the natives, and by arming against them the whole population of the coasts and islands of India, led to the final subversion of their power by the Dutch.

The records of the English East India Company abound with instances in which the liberty of residing in India, under all the limitations at present annexed to it, has been grossly abused. To select only one out of many which might be mentioned: in 1795, two persons of the names of Arnott and Belasis, were ordered out of India for having furnished warlike stores to the Mahrattas. The former surrendered himself, or rather was delivered up, but the latter sought protection from one of the Bundela Chieftains, by whom he was afterwards employed in training and disciplining a corps of natives. About the same period, Sir John Shore was harassed with representations connected with the residence of a

number of Europeans who had settled in the province of Oude, the Vizier complaining of their interference with his officers in the collection of the revenue ; and the settlers, on the other hand, claiming protection from the Governor-General against the vexations practised upon them by that Prince. In short, it was to the influence possessed by Europeans over the councils of the Sultan of Mysore, and of the Marhatta Chieftains, that the almost incessant wars in India, for a period of fifteen years, are principally to be ascribed.

In reference to these serious and well-known facts, it is to be hoped, that the Legislature will be cautious in giving its sanction to any system of intercourse by which the political interests of the country may be compromised, and our connexion with India brought into peril. The value of the stake is immense, and if we transgress the rules of the game, although by some lucky hits, we might be successful for a time, the ultimate chances, according to all calculation, are against us.

The views of the petitioners against the Company's exclusive privileges, being directed to a participation in the China trade, as well as the Indian, it becomes necessary to inquire, what would be the probable effects of throwing open that branch of Asiatic commerce to the public at large. It will be seen on referring to the Hints submitted to the consideration of the late President of the India Board by

the Court of Directors, and to the Observations sent in answer to those hints by Lord Melville,* that in the opinion of His Majesty's Government, it will be "advisable, with a view to the security of "the revenue, and to other objects connected with "the trade to China, to leave it on its present footing, and to guard by proper regulations against "any encroachment on that branch of the East India "Company's exclusive privilege." It may therefore be assumed, that on this point there is no difference of opinion, at least in principle, between His Majesty's Government and the Court of Directors.—

The question, however, is one on which the public have a voice, and whatever agreement may be entered into between Ministers and the Directors, is subject to the future revisal of Parliament. If the public have been unfairly dealt with in any part of the proposed arrangement, an appeal lies open to the highest tribunal recognized by the constitution, a tribunal perfectly competent to reverse any preliminary judgment which may have been passed unfair towards the claimants, injurious to the East India Company, or prejudicial to the general interests of the empire. Every question connected with the subject, ought therefore to be treated upon the broad grounds of political and commercial expediency, without regard to the recorded opinions of any party in the pending discussion. The author

is fully sensible of the disadvantage under which he labours, from want of access to any *special* source of information. His only apology is the consciousness of meaning well, his only encouragement under an acknowledged and lamented deficiency, proceeds from confidence in the public candour. The following facts, the authenticity of which may be depended on, will, perhaps, protect him from the charge of wilful ignorance, or remissness in seeking for information in those quarters where there was a probability of its being obtained.

They may be arranged, with reference first to the municipal laws and institutions of China; and secondly, to the manufacturing, commercial, and fiscal interests of this country.

I. Some of the peculiarities in the character of the Chinese Government and people, are necessary to be known before the nature of our connexion with the country, and the fickle tenure on which it depends, can be rightly understood. Their mode both of thinking and acting is marked with a strong dislike and contempt of strangers. Agriculture constitutes the basis of the economical policy of the government, and the favourite pursuit of the people. The advantages of foreign commerce, though better appreciated now than in time past, are still held in secondary consideration, whilst the jealousy which pervades and embarrasses all their intercourse with strangers,

operates both as an obstacle to the extension of trade with their country in general, and as an impediment to the ordinary course of business with the natives, even upon its present restricted scale. Canton, or rather the river on which it stands, is now the only port in the empire open to foreign commerce. The European nations who have carried on the trade with China, never being permitted to settle upon the Continent, or to approach with their ships nearer than Hongpou, which is four leagues from the city of Canton, successively established factories on several of the little islands at the mouth of the river. To this day the English factory, after completing their sales and purchases at Hong, retire to Macao, a small settlement belonging to the Portuguese, afraid of awakening the suspicion of the Chinese Government, or of involving themselves in disputes with its subjects.

The system of absolute despotism, (in itself unfavourable to commerce) on which the Chinese Government is founded, and which pervades all the gradations of rank in society, has given rise to a notion from which no class in the country is exempt, that all communities, whether great or small, both in their integral masses and separate portions, are subject to the same mode and degree of authority as exists in China; that the Chief of the Company's factory possesses, or ought to possess, unlimited power over all individuals belonging to the English nation during their stay at Canton, and that he, as well in

his person as in the property committed to his charge, is responsible for every infraction on the part of his countrymen of the laws of the empire.

For many years the Company's representatives possessed no legitimate control over any other than the ships of their employers under their immediate orders, and accordingly the inconvenience resulting from the doctrine of responsibility held by the Chinese Government was often severely felt. In 1782, a ship supposed to be Spanish property, and to have a Dutch cargo on board, bound from Macao to Manilla, was seized by Captain M'Lary, commanding a country ship from Bengal. The Governor of Macao, in the first instance, resented this infraction of the neutrality of his port, by imprisoning the aggressor, and fining him to the amount of 70,000 dollars. But when the circumstance came to be known to the Mandarins at Canton, the Company's supercargoes were informed that they would be considered as answerable for the restoration of the ship in that instance, and in future for any similar transgression. The abandonment of the captured vessel by M'Lary and his crew, happily prevented any attempt to give effect to the menace.

In 1784, a Chinese was accidentally killed by a shot fired from on board the Lady Hughes country ship, in the act of saluting, the consequence of which was the execution of the gunner. Apprehensions being entertained by the Company's representatives,

that the vessel which occasioned the unlucky accident, might slip out of the river before the affair was investigated, they were compelled, with a view to their own security, so far to exceed their powers, as to order the commanders of the Company's ships to prevent her sailing; and when the fate of the unfortunate gunner was ultimately decided, a deputation from all the European factories was summoned to attend the Mandarin of Justice, who acquainted its members distinctly and unequivocally, that on any similar occasion that might thereafter occur, if the actual offender could not be found, the chiefs of their respective nations should be considered as answerable in their own persons.

Another occurrence took place in the same or following season, which shewed that the Chinese Government consider the Chief of the Company's factory as responsible not only for the peaceable conduct of his countrymen, but for their pecuniary engagements. Some difference in the settlement of an account having arisen between the commander of a country ship and his *security merchant*, (a term which will be afterwards explained) the latter had withheld the grand chop or port clearance, without which no pilot would take charge of the ship. The master confiding in his own skill, resolved to remove his ship without one. In this predicament the Chinese neither attempted by force to stop the ship, nor molested the person of the commander, but conformably to their usual practice, had recourse to the Com-

pany's representatives, threatening them with a suspension of their trade, if the ship was suffered to proceed to sea before the difference was adjusted; on which the Company's supercargoes again interfered, (although unauthorized) to prevent the sailing of the ship.

Farther, it was owing to the excesses and unwarrantable speculations entered into by some unlicensed British traders, who contracted large debts, which they were unable to pay, that the prices of Chinese commodities were increased to the Company in 1780 by the Hong merchants. In order to establish a fund for the liquidation of those debts, the prices of tea and other exports were then raised to a standard from which they have never since been lowered; and had the effect been foreseen, it might have been wise as a measure of œconomy, for the Company to avert it, by paying the debts at once, out of their own treasury.

In consequence of the occurrences above adverted to, and others of a similar nature, the Court of Directors, perceiving, that from the maxims of responsibility laid down and promulgated by the Chinese Government, their best interests were liable to injury from the folly, rashness, or dishonesty of individuals, became impressed with the necessity of investing their representatives with some legal power of control. They accordingly issued orders to all their Presidencies in India that no ship should be allowed

to clear out from thence to China until the captain and owners had entered into an engagement, under a certain penalty, to conform implicitly to such regulations as the Company's supercargoes should think proper to enact for their guidance during their stay on the Chinese coast, and the captains were required to present certificates of their clearances to the head of the Company's factory immediately on their arrival at Canton.

The commutation act having passed soon after, the consequent increase both of the Company's and country shipping, pointed out the expediency of some more efficient regulations than had hitherto existed for restraining the disorderly behaviour of the seamen; and a species of police was instituted, under the superintendence of the senior commander of the Company's ships, to which all British ships frequenting Canton are now subject. Many good effects have unquestionably been produced by these regulations, but when the difficulties arising from the peculiar character of the Chinese on the one hand, and the rash, impetuous, and dissolute character of our sailors on the other, are considered, it is perhaps matter of greater surprise, that the intercourse has been preserved at all, than that it has been liable to casual interruption.

Chinese women are strictly prohibited by the laws of the empire from going on board of foreign ships. The consequences of such an offence, though diffi-

cult of prevention, are very serious. In 1801, a country ship, called the Dove, was detained several weeks in the river on this account, to the injury of the owners and all concerned.

A man committing an outrage in a state of intoxication, according to the criminal code of China, is exiled to a desert country, there to remain in servitude.

By the same laws, the abetting, or encouraging of emigration, is punished as a capital crime. It would be absurd to suppose that violations of such laws do not under present circumstances frequently occur. Indeed the loss of men on board the Company's ships, from casualties, desertion, or the impress for His Majesty's service, often makes it indispensably necessary to engage a certain number of Chinese seamen for the homeward voyage, because the ships could not be otherwise navigated. But the vigilance exercised by the Company's officers, renders some of these offences more rare; their local knowledge renders others less easy of detection, and the influence possessed by their Supercargoes, as a body, on all occasions secures to their representations a more favourable hearing from the government, than those of individuals could be expected to obtain.

Notwithstanding these various advantages, however, occurrences have happened even of late years,

arising out of the severity of the Chinese laws respecting homicide, which have been productive of much inconvenience and embarrassment, and threatened a total extinction of the trade. In 1807, a Chinese died in consequence of a wound which he had received in an affray with part of the crew belonging to one of *the Company's ships*. An order was immediately issued by the government at Canton, to deliver up the guilty person, and in the mean time an entire stop was put to the trade. An investigation was instituted by the commander of the suspected ship, for the discovery of the culprit, but without effect. The inquiry was farther pursued by the Chinese Mandarins themselves, and with no better success. An individual was indeed selected as one of the most active in the affray, but the guilt of inflicting the wound that had proved fatal, was not brought home to him. At last, after much discussion, an anxious interval of six weeks, and considerable expense incurred by demurrage, the ships were permitted to depart; but in consequence of this delay, the whole China fleet were obliged, under many disadvantages, to return to Europe by the Eastward passage, instead of the usual course. In 1810 and 1811, the trade met with another obstruction from a similar cause.

In mentioning these circumstances, it is due to the Company's representatives at Canton, at the same time to state, that the difficulties to which they have been on

various occasions subjected, have uniformly been surmounted by good sense, firmness, and moderation; and that, notwithstanding the jeopardy into which their persons, their property, and the interests of their employers, have been repeatedly thrown by *unavoidable accident*, they never have sacrificed the *life or freedom of one of His Majesty's subjects* to their own safety or extrication from embarrassment. Can it be believed by any one, that private individuals under like circumstances, would have been equally scrupulous and equally successful?

The principle of responsibility maintained and acted upon by the Chinese Government, in regard to strangers (as already explained), has been acknowledged by the Company in their regulations, and is, of course, confirmed by that recognition. They had, in fact, no other alternative than either to abandon the trade altogether, or to carry it on conformably to the laws and usages of China. It was equally beyond the Company's power to change the nature, or to resist the operation of the Chinese Institutions, unprotected as they have been by any existing treaty, and unsupported by the influence of a resident British Ambassador. Is it not then most unreasonable to expect that the Company should extend their protection to their rivals in trade; and would it not be unjust to permit the private merchants of this country to place themselves in a situation in which experience has shewn that their errors, their faults, and their

crimes would be exclusively visited on the Company? Were private British merchants admitted to a participation of the trade, it would be useless for the Company to disclaim all authority over them. As long as an English flag continues to fly at Canton, the Chinese will never be persuaded that every ship bearing the same colours with the Company's ships, ought not to be subject to the control of the Company's agents. An inevitable consequence of the trade being thrown open is, that the ships of individual merchants would claim the protection of the Company's supercargoes whenever they involved themselves in difficulty, and would spurn their control when they found constraint inconvenient or unpleasant.

Another obstacle to a free trade presents itself: When the Chinese first entered into commercial intercourse with ~~other~~ countries, their cautious and wary Government, with a view to avoid all cause of dispute or quarrel, constituted a certain number of native merchants into a body for the management of foreign trade, and at the same time, that it imposed an interdict against every trader who had not one of its own subjects as his security, it left the option of becoming or refusing to become security to each individual, composing this body of native merchants. *The security merchants* being answerable to their own *Government* for every act of those for whom security is given, are thus subjected to a heavy responsibility, and though they may have little scruple about being

guarantees for the Company's agents, after the long experience they have had of their probity and discretion, they would probably hesitate before committing themselves for the conduct of a motley class of new adventurers, in whom they could repose no such confidence.

Were a representative of the British Government appointed to the station now filled by the agents of the Company, and also to be recognized in that capacity by the Emperor of China (by no means a matter of course), it is worth consideration, setting aside the expense to the public, whether such a representative, without force to carry his orders into execution, would be adequate to the end of his appointment; whether any representative with such a force could be expected placidly to submit to the indignities to which he might occasionally be exposed; and whether a change of system might not infuse such distrust both into the Chinese Government and the security merchants as to produce a suspension of the trade, or occasion such differences as might eventually lead to our total exclusion from their ports? The existence of the trade would unquestionably be endangered by relaxing the controlling power, under which it is now carried on; and this relaxation could hardly fail to result either from changing the hands in which the power is at present vested, or from extending the sphere of its operation, so far as to render superintendence difficult if not impracticable.

Among the evils that would arise from throwing open the trade between England and China, that of smuggling articles of British manufacture into the Chinese territories in contravention of the revenue laws of the empire, is one which might with certainty be anticipated. Individuals engaged in separate adventures would naturally endeavour to promote their immediate interests, little scrupulous about the means. The evasion of the duties on woollens, which on some articles are equal to 60 and 70 per cent. on the sale prices, and considerable on all, would prove an irresistible temptation to fraud; and though it is impossible accurately to predict the consequences of such an abuse, it seems no unnatural or overstretched conclusion, that a government, jealous of its rights, and distinguished by a singular antipathy to strangers, might thereby be induced to break off all commercial intercourse with a country, when that intercourse ceased to be conducted on the principles of honesty and fair dealing. The East India Company, as a body, stand far above the suspicion of lending themselves to practices of such a nature, and every attention is paid to prevent them on the part of the officers employed in the Company's ships. The Court of Directors have very properly issued orders, that any officer detected in smuggling goods into China, shall be deprived of his portion of tonnage for a home investment, and this regulation has been found much more effectual in preventing illicit traffic, than the fine of fifty times the value of the smuggled

article, to which the offender is subject in case of detection by the Chinese laws.

It will probably be asked, do not the Americans carry on an open trade with China successfully, and might not private British merchants do the same?—To this question it may be replied, that the dispositions and habits of the seamen employed by the two countries are materially different, and that the political circumstances of the two countries themselves, have by no means, of late years, been so nearly analogous, as to warrant a fair comparison between their respective gains from the trade. The American seamen are, generally speaking, a sedate, orderly, and regular class of people. Particular care also is taken in selecting those who are employed to man their China ships. Where no competition of demand exists between the government and the merchants, this selection is always easy, and the large profits in trade which the American merchants have made in consequence of their access to foreign ports, from which Great Britain is excluded, enable them to offer to their seamen very high wages, so high as thirty dollars, or £7. per month, and not unfrequently a share in the adventure. A common American sailor may look forward, by a course of good behaviour, to become mate, or even master of a ship. Nothing can be more unpleasant than to say any thing to the disparagement of a body of men to whom this country is so eminently indebted, but it is well

known that the British seamen, particularly such as in time of war compose the crews of trading ships, do not answer precisely the above description. Dauntless in the midst of danger, bold in battle, and easily restrained on board of King's ships, but insubordinate in the merchant service, addicted to liquor, and prone to every excess when on shore, even under the eye of their own officers, it becomes quite impossible to ensure their good behaviour at a foreign port, particularly after a long voyage. The exigencies of the navy during a period of hostility, leave only the gleanings and refuse of the profession to the trade. The natural and habitual turbulence of such men, it has required all the vigilance and energy of the Company's representatives at Canton to control. The existing checks have not always been found sufficient to repress disorder, and were they either set aside or weakened, the total exclusion of our ships from the ports and rivers of China would be a consummation to be deprecated indeed, but not easily to be averted.

If the petitioners for an open trade found their claims upon an assumption, that the great profits made by the Americans upon *their* share of it could either be participated or engrossed by the rival exertions of private British merchants, they state and argue upon a fallacy. The gains of the Americans, if they exist to the extent supposed, are chiefly to be ascribed to the pacific policy of their government, and to the commercial relations in which they stand,

or have stood, with the rest of the world. It may be asserted, without fear of contradiction, that in the event either of a general peace, or of the continuance of war between Great Britain and the United States, America cannot maintain a successful competition with the East India Company in the China trade.—The woollens and metals exported from England by the Company, and the cotton, sandal wood, pepper, and other commodities exported to China from the British territories in India, by the Company, and by the Chinese themselves, are now sufficient in value to pay the whole of the Company's home investment from China. The Americans carry little thither, besides silver, and therefore their gains must be confined to the profits on their return cargoes; whereas the Company have a mercantile profit upon a *large proportion* of their imports to China, and a profit upon the whole of their exports from that country.—Their gains in the trade would be still more extensive, but the produce and manufactures of this country, which they export to China, are selected less with a view to mercantile profit than to the encouragement of British industry, by procuring a vent for our own commodities. It must be obvious to every one that the general profits of the Company are much diminished by the advance of taxation, by war freights, war insurance, and the necessity imposed upon them by a state of hostility, of sending their ships out and home in fleets, and under convoy. It should, however, at the same time be recollected, that private British merchants would be subjected (were the trade

thrown open) to precisely the same inconveniences and drawbacks.

The inference which the foregoing facts and observations seem to justify, is, that the present mode of conducting the trade between England and China could not be changed without endangering the suspension, or perhaps, the total suppression of the existing intercourse; and this consideration alone is of sufficient weight to counterbalance the pretensions of those whose object it is to invade the exclusive privilege of the East India Company. It will not however be difficult to shew that the manufactures of this country, the government itself, and the great body of British consumers are as much interested in the continuance of the Company's exclusive privilege as that Corporation itself. This constitutes the

2d Branch of the subject to which it was proposed to draw the reader's attention.

The two principal articles of British produce and manufacture exported by the East India Company to China, are tin and woollens. It appears from the Printed Papers,* that in consequence of an arrangement entered into between the Company and certain proprietors of tin mines, in the County of Cornwall, in 1789, an average annual quantity of 756 tons of that metal, at the average prime cost of £74. 1s.

* Page 88.

per ton, has been exported to China in the course of the 22 years subsequent to that agreement; that no charge has been made by the Company for freight, trouble, and expense incurred in England in shipping the tin; that after allowing $4\frac{1}{2}$ per cent. for insurance, 2 per cent. for commission and charges in China, and four months' interest for advance of money, the tin actually costs the Company £80. per ton—and that the average sale price in China has been £84. per ton, leaving to the Company a difference in their receipts beyond their disbursements of only £3. 18s. as a compensation for freight and charges of establishment. It farther appears, that in the present season the Court of Directors agreed to receive 800 tons, at the advanced price of £78. per ton, by which, according to the same calculation, the Company will actually incur a loss of 7s. 4d. per ton, exclusive of freight and charges of insurance. The sacrifice made by the Company for the encouragement of the tin miners may be duly appreciated, by referring to the same letter, where the Chairman and Deputy state,* that at Malacca, Banca, and other places in the Eastern parts of India, they could procure tin at from £67. to £70. a ton, (and *that* probably in exchange for the productions of our Indian territories); at which price the sales in the China market would leave them a fair mercantile profit upon this branch of their trade.

In so far therefore as the proprietors of tin mines are interested in the pending discussion, the opening of the trade to China would be injurious to them, it being obviously unreasonable to expect that individual merchants would make the same sacrifices that the Company have made, and seem still willing to continue, for the purpose of procuring a vent for one of the staple productions of the British soil.

Another no less certain effect of throwing open the trade, would be a great reduction in the export of British woollens. The introduction of woollen manufactures into China, is of recent date, and the exports of that article, which, at the commencement of the trade, amounted in value only to a few thousand pounds, has been progressively augmented by the exertions and sacrifices of the East India Company, to near a million sterling annually. The French and Dutch attempted to introduce the woollen manufactures of their respective countries into China, but with very little success.—The Americans have occasionally, though very rarely, carried woollens to Canton, but the adventures, not having turned out profitable in a single instance, were never repeated by the same individuals. Although the commodity is peculiarly well adapted to the climate of the northern provinces of the Chinese empire, the inhabitants, provided with a substitute in furs of various descriptions, to which they have been long accustomed, have been found averse to a dress exceeding

in price, but inferior in durability to their usual clothing, *harsher in its texture than their own cottons and silks, and less warm than their coverings of skins.* Articles similar to the poplins and tabbinets of Ireland, are manufactured in China in abundance, and at a much cheaper rate than Ireland can afford to furnish them. The records of the East India Company not only afford ample evidence of the difficulties attending the sale of the woollens which they export, but also exhibit a series of very heavy losses sustained in this branch of the trade, although the confidence reposed by the Chinese in the honesty and good faith of the Company's agents is such, that a bale of goods passes from one province of the empire to another, and through a vast number of different hands, merely upon the credit of the Company's seal, without ever being examined, just as their merchandise imported into this country, and bought at their sales, used to pass upon the credit of the same sign over the whole continent of Europe. Notwithstanding this advantage, however, which new adventurers would not possess, the Company have lost nearly £50,000 a year, in the course of their present charter, on the article of long clls alone, imported into China, though only 10 per cent has been added in their accounts to the prime cost, to form the invoice price of the goods, and to cover all charges of freight, insurance, interest for money advanced, &c.; the goods being regularly paid for to the manufacturer in ready money, and sometimes a year

and a half before the value is realized in China. The motives for continuing a trade so disadvantageous, are understood to be founded on the following considerations: that it became the Company to incur a temporary loss for the sake of great public objects;—that had they exclusively consulted their own interests as a commercial body, thousands of *British manufacturers who have been supported by their capital must have been reduced to distress and ruin*; that the present unhappy state of the world ought not to be contemplated as permanent; that the stagnation of trade resulting from events of a transitory nature was to be counteracted by their corporate exertions in opening and even forcing outlets to the staple manufactures of this country, wherever such outlets could be found; that these exertions have hitherto hindered a temporary check to British industry from proving the cause of its lasting decline; that their exports of commodities have prevented the alternative of an addition to the heavy existing drain of specie from Great Britain, or a defalcation in the revenue, which must have ensued from a diminished importation of tea from China; and, that the loss incurred by the Company from this mode of carrying on the trade, has been in fact a part of the price paid to the public for the continuance of their exclusive privileges. Whether these considerations will be satisfactory to the political economist may be doubted: still the motives of the Company are entitled at least to indulgence, and if

in circumstances where they had only a choice of evils, they have yielded to what appeared to them to be the least injurious, they have established a claim upon the gratitude of the country instead of meriting attack. If they have erred, it has been in common with the manufacturing capitalists of Manchester, Birmingham, and other towns in the kingdom, who have continued to retain their workmen in their employ after their labour ceased to be valuable.* The reign of general principles has long since passed away, or rather has not yet commenced in the world. Man is the creature of expedient, and compromise is the law of his condition. If, forsaking the course that has been traced to us by experience, we are to tempt the region of untried speculation, we may begin with tearing every commercial treaty from the archives of the state, and committing half of our statutes to the flames.

* See evidence taken in a Committee of the House of Commons on the Orders in Council, *passim*.

The Edinburgh Reviewers in commenting upon this evidence observe: "It is pleasing, indeed, and consolatory in the midst of such a scene as is disclosed by the evidence before us, to see in how many instances the latter description of persons (the capitalist, the merchant, and the master manufacturers of all degrees) continued to give employment to their workmen, long after they ceased to make any profit by their labours; and even went on for a great length of time to maintain them at a loss to themselves. There is no national distinction so honourable, as that of breeding a race of men among whom such conduct confers no distinction." *Edinburgh Review*, No. XXXIX. p. 235.

Admitting the accuracy of the facts which have been stated, the following inferences will hardly be disputed.

1st. That the demand for British produce and manufactures in China being extremely limited, and supplied by the East India Company as exporters at a loss, the gains of the producers and manufacturers must necessarily cease, or be diminished, in the same proportion with the sacrifices of the Company, and that these sacrifices cannot be expected either on the part of that body, or of individuals after the opening of the trade, inasmuch as the Company will then be unable, and individuals will both be unable and unwilling to continue them. If the credit of the articles now exported were shaken in such an empire as China, it is impossible to say what might be the permanent effects to the manufacturers at home; and even a temporary derangement in the export of one of the great staples of the country, could not fail to occasion much distress and clamour.

2dly. That the merchants are soliciting admission not to a profitable but to a losing commerce, in so far as the export trade to China is concerned, and that if capital be embarked in it, it must necessarily prove ruinous to the speculators: and

3dly. That the Legislature will best provide for the true interest of the various classes placed under its protecting care and superintendence, by attending to

facts rather than to speculation, by listening to experience rather than to vague expectations, and by refusing to hazard known, certain, and permanent advantages for a chance of something better, coupled with the numerous causes and lamentable consequences of miscarriage.

The claimants of an open trade will, no doubt, urge, that though the *export* branch of it may be unprofitable, yet that the commerce *upon the whole* must be advantageous, and that they are entitled to share in the advantage to its full extent. In order fairly to appreciate the merits of this pretension, it is necessary to consider what would be its probable operation, if sanctioned by the Legislature, upon the Revenue, and the general interests of this Country.

*As to the question of natural right, on which the claim is founded, in some of the Petitions, it is to be observed, that on the first establishment of society, the rights of individuals are merged in the interests of the community at large, and that it is incumbent upon Government, the legitimate guardian of those interests, to protect them no less against private encroachment, than against foreign aggression. There are, in fact, no other natural rights in society than what are recognized by the *Laws of Society*. Commercial freedom, taken in the abstract, is quite as desirable as political freedom: but every person who is in the habit of attending to the numerous statutes*

connected with trade and revenue, which at different periods have been passed by the Legislature, must be aware that the principle of liberty, as applied to commerce, is so modified and variously restricted, as hardly to be recognized in the system under which the commerce of the country is now carried on. To promote demand, and to facilitate supply, ought to be the great object of all commercial policy; but the tendency of the whole of our navigation laws, is to render the produce of our own soil and industry less accessible to foreigners, and to enhance the price of foreign productions to the British consumer. By appropriating to ourselves a monopoly (under certain limitations) of the trade, between the parent state and the colonies, we stinted colonial, and taxed domestic industry; and by attempting to engross a large proportion of the carrying trade between this and other countries, we paid in the increase of price for the articles imported, a sum far exceeding both our gains and savings, under the different heads of freight, insurance and commission. These laws were passed at a period when political security was justly deemed of paramount importance to the commercial freedom, which they invaded; and though in later times, when from the pressure of war, and the general circumstances of the world, our commerce is considered as being more in danger than our power, it has been deemed advisable to act upon a contrary maxim, and not only to relax the navigation act, but to permit the trade of the country to be carried on, at

least in part, through the medium of alien enemies (a maxim fully as hazardous to our political ascendancy as that which it supplanted, had been injurious to our commercial prosperity), the change is universally regarded, not as the effect of a free and enlightened choice, nor as a homage paid to the principle of commercial freedom, but as a tribute extorted by necessity, and limited by the extent and duration of that necessity. So impossible is it frequently to reconcile in practice principles in themselves equally true, and so vain is it to attempt, under all circumstances, to pursue an uniform and invariable line of conduct deducible from any one fixed princip

It would not be difficult to shew that the *spirit* of monopoly, (whatever odium may be attached to the *term*), is not so abhorrent either to the Municipal Institutions or Statute Laws of this Country, as the arguments and pretensions of the adversaries of the East India Company might lead one to suppose.—What are all the Corporations now existing in the Kingdom, founded upon ancient Charters, and fortified by separate codes of by-laws, but so many legal monopolies, each not only exercising jurisdiction over its own members, but prescribing terms of admission to such persons as may wish to pursue any branch of trade within its limits, and proportioning the fine of entrance to the local advantages of the situation? If *natural right* is

to be appealed to, why should the City of London, for instance, possess the power of excluding from the exercise of trade within its bounds, every man in the country who has not served an apprenticeship to one of its affiliated members, or who is unable to pay the usual price for a share in their immunities? Nay, why are apprenticeships thought necessary at all, and why might not success and failure be left as a test of qualification for business, in the same way that demand in the market, and discrimination in the purchasers, are allowed to regulate the value of other commodities? Or, why should the College of Physicians possess the sole power (which no medical practitioner can invade with impunity) of treating all diseases within the precincts of the metropolis? Upon this principle, charters, indentures, and diplomas, must be considered unjust and useless usurpations upon the common rights of mankind. The Poor Laws, operating equally with Corporations, as an obstruction to the free circulation of industry, ought also to be abolished.—The Church Establishment itself, the Universities, and the various foundations of scholarships, and exhibitions connected with them, interfering, as they do, with the regular distribution of industry and stock, and introducing an unnatural competition into certain pursuits, must, in like manner, give way to the sweep of innovation. If the principle that is contended for shall be assumed as the foundation of a practical rule of conduct,

what is to become of all the laws establishing and fencing the monopoly held by the woollen manufacturers of this country? The strict prohibitions against the export of wool, in its raw state, the duties imposed on Scotch and Irish linens, when used for home consumption, and the bounties granted on their exportation, are so many encouragements held out by the Legislature, to the woollen manufacturers, at the expense not only of other classes of artisans, but of the landed proprietors, and the consumers of animal food, soap, candles, and other necessities of life, and it has also been often alleged that they serve to the deterioration of the quality of our wool. The difference again in the rates of duties levied on sugars of West India and East India growth, is founded on a preference, advantageous indeed to the colonial trade, but disadvantageous in the same proportion to the East India Company, the Asiatic planter, and the British consumer.

It would be easy, likewise, to demonstrate, that the arguments which are adduced in support of complete liberty of commerce, among all the individuals of a state, might with equal propriety, and equal force, be urged in favour of the same liberty of commerce between one state and another, and that the whole international policy of Europe, as exhibited in commercial treaties, as well as municipal laws, has been at variance with what are called the established maxims of political economy. There is more than

plausibility in the doctrine, that a nation, instead of necessarily thriving by the ruin of its neighbour, ultimately suffers from the decline of its commercial rival; that the prosperity of any single country must spread to the several countries lying within the sphere of its intercourse, till the productions of each are common to all, or till riches cease to beget wants, and wants to require gratification. A general monopoly of trade, therefore, were it attainable, would eventually prove injurious to the country possessing it, because a surplus stock of productions, without a market, contributes no more to wealth than if the commodities had never existed, and because a market presupposes not only want and supply, but the presence of *money*, or some *other medium of exchange*, the scarcity, or abundance, of which will be in an exact ratio to the of means obtaining it, or, in other words, to the proportion of trade which has eluded the grasp of the monopoly. Beautiful as this theory is, when fully developed, not only for its abstract truth, but its tendency to illustrate the beneficent designs of Providence in regard to man, yet, it has never been acted upon, and must remain impracticable, until passion has abdicated her empire, and reason assumed her rightful sway in the affairs of the world. To live in peace, and minister to each other's comfort, was the object and law of our creation, and had we fulfilled our original destiny, many fair and comely theories might have been realized, which now only

play in delightful vision before our fancies. Since war became part of our occupation, to provide for its wants, has been a necessary object of our policy, and an irregular ambition has infused itself into all our aims. Hence we have been driven from unerring principles to loose expedients; and how much soever the effect may be lamented, remedy is hopeless, while the cause continues to operate.

Without going into farther detail, for the purpose of exposing those pretensions which professedly rest upon natural right, and abstract fitness, and which are not more incompatible with the exclusive privileges of the East India Company, than with the whole policy of our commercial system, and the actual state of human affairs; it is of more importance to examine the practical advantages which result to the Country, from the privileges hitherto conferred on the Company, and the probable consequences of a refusal on the part of the Legislature to renew those privileges.

The tea imported from China by the Company, pays to Government an annual net revenue of about £3,500,000., varying little from year to year, and collected with hardly any expense to the public. The saving thus effected under the head of collection alone (supposing the average charge of realizing the public revenue to be 5 per cent.) amounts to £175,000. per annum; and the

influence of the Crown is diminished to the same extent in which the saving takes place: a consideration which it may be presumed will have no small weight with those whose constitutional jealousy sees the growth of that influence, in the increase of taxation. The duties upon tea in every view in which they can be considered, may be regarded as constituting one of the least exceptionable and most valuable sources of revenue.—

Without being an indispensable necessary of life, the article is one of universal use; the tax, therefore, is exempt from all the disadvantages of imposts upon necessities, and is at the same time far more productive than the most of those which are levied upon luxuries. It is optional with every person to pay it or not, and to pay it at what times, and in what proportions he may find convenient. Being levied upon consumption, and graduated according to the different qualities of the commodity consumed, it is not only equal in its operation, but accommodates itself to the means of the consumers. Neither the supply nor the demand depending upon the varying relations of European States, the revenue derived from tea is certain, and free from those fluctuations to which the produce of many other taxes is liable. Unlike spirits, which though productive to Government, are injurious to the health and morals of the people, the beverage is not only harmless in itself, but is the source of much innocent enjoyment. The solace of the weary, and the cordial of the sick,

the enlivener of gaiety, and the soother of care, it ministers to the comfort of the cottage, and the delight of the palace, uniting the rich and the poor, and the sexes together by a bland assimilation of habit.

The importance of so large a revenue derived from a source so unobjectionable, must be generally felt and acknowledged; and if its security be incompatible with the pretensions of the claimants of an open trade, the smaller object ought certainly to give way to the greater.

The temptation to smuggling, held out by the chance of evading the duty, (amounting on tea, to 96 per cent.), is such as no legal penalties could counteract, were private merchants admitted into the trade; and in the event of its being opened to the outports, the opportunities of fraud would be so multiplied, as to defy the utmost vigilance of the largest possible establishment of revenue officers.—Individual integrity has been at all times found to afford a very feeble security for the realization of national revenue, and though there be no moral distinction between an act of public and private dishonesty, it is well known that many persons who revolt at the idea of taking an unfair advantage of their neighbours, do not hesitate to defraud Government of its dues. The character of the East India Company as a body, their responsibility to, and

dependence on the Legislature, together with the control they possess over their servants, constitute a guarantee for the fairness and regularity of their transactions, which private merchants could not furnish either individually or as a class. The Company's ships arrive periodically in fleets, their imports are brought to one place, lodged under the keys of the Government officers, and sold in presence of those officers, who have no farther trouble than to ascertain the amount of the duties, which are carefully levied, and punctually paid by the Company.—

A system at once so safe, and so little expensive with a view to the collection of revenue, it is impossible for human ingenuity to devise, and any attempt to supersede it, must be attended with a great addition to the public charge, and a considerable increase of patronage to Government, while in the end, it will be found utterly ineffectual for the object which it has in view. A short time ago a ship was discovered in the river smuggling tea, purchased from an American at Gibraltar, part of the cargo having been previously landed in the Channel, and on the western coast of the kingdom, without detection. On the return of peace, the only effectual mode of preventing the introduction of smuggled tea from the Continent, will probably be a reduction of the existing duties. In time of war, such a sacrifice of revenue would certainly be attended with great inconvenience, and yet the measure of laying open the trade now contended for,

would introduce that state of things during war, which would necessarily require either a voluntary relinquishment on the part of Government, of a portion of the present duties, or give rise to that evasion of them which is only to be apprehended on a return of peace.

The smuggling of tea would be productive of the double mischief of disabling the East India Company from paying the dividends upon their stock, and of compelling the Government to have recourse to other sources of revenue, in consequence of a defalcation of the duties on that article; and is it supposable that the Legislature, admitting that there was no other danger in the experiment, would put to hazard the credit of the first corporation in the world, and the stability of three millions and a half of annual revenue, in order not to open new channels of prosperity and national wealth, but merely to transfer a portion of that trade to individuals which has hitherto been exclusively carried on by the East India Company? This is a question affecting not solely the parties immediately concerned in the pending discussion; it is one in which every individual in the Country has a direct interest. If a considerable deficiency in the revenue takes place, are the claimants of an open trade either able or willing to make it good? Must it not, on the contrary, be supplied by means of general taxation, and in the present burdened state of the nation, it will be readily admitted that it is much easier to devise and assess new taxes than to

collect them. But regulations, it seems, are to be framed so as to guard against the danger of an illicit trade, and to protect the Company and the revenue from its effects.* It is to be observed, however, that these regulations do not contemplate any infringement upon the Company's exclusive privilege to the *China* trade. Their object is solely to prevent an illicit trade in *India* commodities, in the event of the trade with India being opened to the Out-ports; and whoever has read with attention and impartiality the letters of the Deputation of the Court of Directors to the President of the Board of Commissioners of the 15th and 29th April, 1812,† will more than doubt the efficacy of such regulations, (however strong they may be) even for the limited purpose which they are said to have in view. The regulation most obviously necessary, certainly, is a strict prohibition of the importation into this country of the produce of China in any but the Company's ships, as without this prohibition the continuance of their exclusive privilege would be merely nominal, and the idea of protecting either their interests, or those of the revenue, would be altogether chimerical. The facility with which cargoes of tea might be procured at Java and the other islands in the Indian seas, would completely defeat the views, both of the Company and the Government. During the American war the Dutch were supplied at Batavia with tea carried thither by Chinese junks, at a cheaper rate than it could

have been provided at Canton. The teas received at that emporium are brought from the central provinces of the empire by inland navigation, frequently interrupted by land carriage over mountainous tracts, at an expense far exceeding the freight to Batavia from the ports of China contiguous to the tea country. The cost of inland conveyance, the profit of the Hong merchants, and the charges and extortions with which the trade is loaded at Canton, may fairly be estimated at 33 per cent. upon the original value of the tea. It is easy to perceive therefore, that the Company could not withstand a competition of this sort, and that the revenue, if an intermediate trade were permitted, would be exposed to the same danger that it would encounter, upon the trade being thrown entirely open.

These remarks naturally lead to a consideration of the principal question on which the parties interested are now at issue.

It appears from the Papers which have been printed, respecting the Negotiation between His Majesty's Ministers and the Court of Directors, for a renewal of the East India Company's exclusive Privileges, that a difference of sentiment (perhaps an irreconcilable one) exists between the Government of the country and the Representatives of the Company, upon the expediency of confining the Trade with India to the Port of London, or of opening it to the Out-ports,

and that in consequence of neither party being convinced by the arguments advanced by the other, in support of their opposite opinions, the Negociation experienced a temporary suspension, and the deliberations in Parliament upon the merits of the Company's Petition were unexpectedly deferred from the last to the next Session.—The delay, in one view, can hardly fail to excite regret. In proportion as the period draws near at which the term of the Company's present Charter expires, the urgency of a Legislative decision upon the question of renewing it, or of substituting another arrangement for the administration of the British territories in India, and for the conduct of the trade between Great Britain and Asia becomes exceedingly pressing. Uncertainty regarding the duration of a Government, tends both to diminish its authority and to relax its exertions; and the mere commercial concerns of the East India Company are of such magnitude as to require a much longer period than two years to wind up. The opportunity, on the other hand, which the delay would afford for inquiry and reflection, presents some equivalent advantage for these inconveniences: an advantage which certainly will not be under-rated by those who think that already too much has been yielded to ill-founded prejudice and popular clamour, and who expect from sober investigation, modified demands rather than farther concessions.

If the Directors of the East India Company entertain

any respect for the opinions of the Statesman who long presided over the administration of their affairs, or if they are disposed to listen with reverence to his solemn and almost parting counsel, it will be impossible for them ever to agree to the extension of the trade with India to the Out-ports, against which that able Minister so recently cautioned them in terms the most direct and pointed.* Let it be remembered that the advice referred to, was tendered for the purpose of dissuading the Company from interfering in the appointment of agents for the private trade in India, farther than by license; and the ground on which it was given was, that supposing the principle then inculcated was observed, (viz. that the trade continued to be carried on under a monopoly, as limited by the act of 1793, and subject to such ulterior modifications as circumstances might suggest without doing violence to the system)—the Company would find a sufficient *commercial* security against an abuse of the privileges which it was then proposed, or which it might afterwards be deemed expedient to grant, in the existing provision that no goods should be imported from India that were not deposited in their warehouses and disposed of at their sales. Against any infringement of this provision, the late Lord Melville (then Mr. Dundas) at the same time warned them that it

* See Mr. Dundas's Letter of the 2d of April, 1800, as quoted page 41.

was *their great interest to guard*, and could he have foreseen, not only that his principle would be abandoned (as it *virtually* now is), but that the Company would be called upon to give up the only security they possess against a fraudulent invasion of their trade, his Letter would have been more appropriately couched in terms of condolence than of admonition.

The general objections, against a change of system, have more or less weight according to the extent of change which may be in contemplation; and the efficacy of those safeguards, which may be proposed for the protection of the revenue and higher objects, will very much depend upon the difficulty of either violating or eluding their operation. It is the nature of all restrictive regulations, to lose in force what they gain in expansion. The *principle* is not yet *avowed*, for example, of permitting the unlimited ingress of Europeans into our Indian territories. But if ships are allowed to clear out indiscriminately from all the ports of the United Kingdom for India, it will be impossible, under any system of precautions, to prevent the evil which all seem desirous to avert; and it would be no less unreasonable than impolitic to place the East India Company in a situation in which they would be held responsible for the tranquillity and good government of our Asiatic possessions, while, at the same time, they were precluded from the exercise of that control at home

which is indispensably necessary to the maintenance of their authority abroad. As well might they, in the event of the import trade from India being opened to the British Out-ports, be made answerable for the loss which the revenue would inevitably sustain from the fraudulent practices of individuals with whom they were in no way connected, as for the conduct of persons in India who went thither in defiance of legislative prohibitions. The Governments at the different Presidencies indeed might, as they no doubt would, be invested with power not only to restrain, but to send home unlicensed adventurers; but it cannot escape attention, that almost all the odium attending the exercise of that power would ultimately fall upon the Court of Directors, and that the unpopularity of the Government at home, would be in exact proportion to the vigilance and energy displayed by the delegated authorities in India. There would be no end to complaints, petitions, and remonstrances. Failure in adventures would be felt as a grievance, imputed misconduct represented as a cloak and excuse for oppression, and limited privilege treated as a mockery of unlimited right. The press would teem with the narratives of the discontented, and in the absence of other redress, *invective* would be resorted to by the sufferers, as a plentiful source of consolation. However much some men may affect to despise attacks of this sort, it certainly is not wise to provoke, and far less to make deliberative provision for them. Those, on the other hand, who are disposed to make a

partial surrender of 'their own judgment to popular prejudice, should at least bear in mind that they may on a future occasion be called on to complete the sacrifice, and that the clamour might be more easily resisted now than after it shall have been strengthened by initiation, and embittered by disappointment in the trade. Commercial speculations are not of a nature to admit of persons embarking in them one year, and withdrawing from them the next, or as soon as they are found not to answer expectation. The merchant cannot change the theatre of his transactions as he can the place of his abode. When capital is engaged, credit established, and connexion formed, he has seldom any alternative but to persevere, or become bankrupt. But in the case supposed, he would have a *tertium quid* in his option, namely, to arraign the system of government; and to this expedient he would unquestionably have recourse without minutely calculating whether his efforts to subvert it would prove fruitless or successful. The last consideration well merits attention before *any infringement* of the East India Company's existing privileges (modified as the exercise of them has been by the voluntary admission of a number of respectable individuals into the India trade) shall be definitively resolved upon. But were there no other objection to the extreme concession of *allowing ships to sail from the Out-ports of this Country*, the facility which it would afford to persons of improper characters and sinister views, of

getting clandestinely to India, seems on all prudential grounds to interpose an insuperable obstacle in the way of its adoption. It is hardly necessary to observe, that if no ships were permitted to clear out for India, excepting from the port of London, the facility alluded to would be very much diminished though not altogether removed; and it is premature here can be no difference of opinion about the propriety of reducing the danger so justly apprehended in colonization in India, to the least possible dimensions.

The admission of ships with cargoes from India into the Out-ports of this Country, would be injurious to the revenue, and in a still greater degree to the interests of our merchants and home manufacturers. The value of the annual imports from India according to the invoice prices, upon an average of six years from 1802-3 to 1807-8, (both inclusive,) belonging to the East India Company, to the commanders and officers of its ships, and to private British traders, amounted to £2,621,606.* Of the quantity of merchandise imported, at least three-fourths is always intended for re-exportation, and if it were not sufficiently obvious, what the actual state of the demand from foreign Europe must be under the enemy's vexatious and tyrannical decrees, its decline

* Printed Papers, page 56.

is manifest from the following facts :—First, That of 63,000 tons of shipping, which have been appropriated in the course of the last six years, by the East India Company to the private traders of the United Kingdom, only 16,230 tons have been employed :—and, Secondly, That, to say nothing of later arrivals, there were in the beginning of last July, in the Company's warehouses in London, goods of Indian produce and manufacture, worth £3,452,000, which had passed the public sales and for which no market could be found. These circumstances are mentioned for the purpose of shewing that the most unlimited freedom of trade would not afford any relief to the mercantile and manufacturing interests, which are now suffering, not from a deficiency of supply, but the want of sale ; and that until the demand be restored, any addition to the stock of goods on hand would aggravate instead of alleviating the existing pressure. Such a change in the political state of Europe, as would open the markets of the Continent to the productions of India, can hardly be expected during the continuance of war, and when peace returns, the participation of other states in the commerce with India will materially interfere with the trade of this Country (however carried on), as the channel of foreign supply. The foreign demand for the goods imported by the Company, was chiefly to be ascribed at all times to their superior quality, proceeding from the advances given to the native manufacturers, and the

care taken by the Company's servants abroad in selecting their home investments; whereas an open trade, by occasioning a sudden competition in the Indian markets, would produce a general deterioration of fabrics, and thus supersede the preference which British imports have hitherto enjoyed in the markets of continental Europe; while at the same time they would cease in their degraded state to operate as a stimulus to the rival skill and ingenuity of the British manufacturer.*

* The great superiority in quality which the goods imported by the Company bear over those imported by the private merchants, will appear from the following account (for which the author is indebted to the history of the commerce with India, by Mr. Macpherson, p. 422,) of the number of pieces, the amount of proceeds, and average prices of the Bengal piece goods, sold at the East India Company's sales in the under-mentioned years, on account of the Company, and on account of private merchants.

It has been already observed, that but a small proportion of the goods imported from India enters into home consumption. Some articles, such as silk stuffs,

Sold on account of the Company.			Years.	Sold on account of private Merchants.		
Pieces sold.	Amount.	Average Price.		Pieces sold.	Amount.	Average Price.
	£.	£. s. d.			£.	£. s. d.
350,329	648,756	1 17 0	1797	136,761	151,942	1 3 0
723,127	1,219,818	1 14 0	1798	127,810	182,594	1 8 6
334,115	508,584	1 10 6	1799 M.*	79,727	133,336	1 13 6
450,500	548,256	1 4 6	S.	152,870	145,503	0 19 0
1,129,501	1,106,879	1 5 0	1800	304,530	317,828	1 0 10
838,712	1,179,447	1 8 6	1801	396,144	379,569	0 19 1
437,862	660,019	1 10 0	1802	1,252,503	960,864	0 15 4
242,164	293,832	1 4 3	1803 M.	742,193	462,757	0 12 6
381,477	378,199	0 19 9	S.†	543,516	202,452	0 11 10
442,952	424,456	0 19 0	1804 M.	548,186	306,886	0 11 2
518,019	493,106	0 19 0	S.	131,013	220,082	0 10 2
174,321	142,157	0 16 6	1805 M.	320,727	193,665	0 12 0
None sold			S.	None sold		
410,196	336,453	0 16 5	1806 M.	113,233	67,453	0 11 10
199,500	146,456	0 14 9	S.	96,264	61,602	0 12 0

* M. denotes the March, and S. the September sale.

† At this sale 494,613 pieces belonging to the Company, and 501,293 belonging to private Merchants, were offered to the purchasers; but 113,171 of the former, and 457,747 of the latter class, were laid aside, there being no bidders. At some other sales still larger quantities have been withdrawn for the same reason.

The account has not been brought down to a later period, lest the subsequent depression of prices might be ascribed to the operation of Buonaparté's Continental system. The statement, as it stands, not only shews the preference that is always given to the Company's goods over those imported by private Merchants, but it also exhibits a gradually decreasing demand for the manufactures of India, arising chiefly from the improvements in the cotton manufactures of this and other countries of Europe, and a corresponding fall of price, owing in great measure, certainly to this cause; but in no small degree to the glut of the home market, occasioned by the excessive importation of the private Merchants, particularly in 1802, the year in which their privileges were extended.

and printed calicoes, are entirely prohibited, and the duties upon all are levied on so high a scale as to prevent their interference with the internal demand for our own manufactures. The duties, on muslins and nankeens, amount to £37 6s. 8d. per cent., and those on calicoes, dimities, and shawls, to £71 13s. 4d. per cent. on the sale prices. It cannot be disputed that these rates of duties offer a strong temptation to smuggling, and it is well known that even under the present system, notwithstanding all the checks which it interposes against fraud, an illicit traffic in articles of small bulk and great value, is carried on to a very considerable extent. In proportion as the checks are diminished, either in number or in force, the mischief will increase, until this branch of the revenue becomes insufficient to defray the charges of collection.

Government, however, would not be the only nor the principal sufferer from the growth of an illicit trade in articles of Indian manufacture. The British manufacturer would soon find a secret competition directed against himself, too powerful for all his industry and skill to withstand. The Bengal silks, the long cloths of Madras, and the chintzes of Surat, would secretly and insensibly find their way into our shops, our drawing-rooms, and our streets; and it would be but a slender consolation that the wearers themselves might possibly affect to lament the

confusion and distress that had befallen the laborious artisans of Spitalfields, Manchester, and Paisley. Such an unexpected encroachment upon British industry, would provoke and justify a general clamour amongst those whose province was thus clandestinely invaded. Government aware, from the defalcation in its own receipts, that the complaints were not unfounded, would naturally apply itself to devise the means of relief. To lower the duties on Indian commodities would diminish the temptation to smuggling, but it would prostrate instead of upholding the already declining industry of the country; and in such a dilemma it is not improbable that, in place of protecting regulations, a total prohibition would be required, enforced by the terror of heavy penal inflictions. Here one cannot help remarking how singularly whimsical it is that British manufacturers, who are indebted to India for many of the raw materials on which their labour is employed, and who, even in their own markets, are so far from being able to maintain a fair competition with the Indian manufacturer, as to be obliged to seek shelter under protecting duties, varying from forty to seventy per cent. upon the value of workmanship, should after all set up a pretension of underselling their Hindoo rivals in the Asiatic markets!

The advantages of rendering the metropolis a general emporium, both for the export and import trade with the East, are great and manifold. The export

cargoes, particularly to India, are composed of a variety of articles which must be collected from various parts of the country, and which are no where to be had in such choice and abundance as in London. The East India Company's sales, which take place at fixed periods, ensure a regular supply of the commodities both of India and China, not only to the British dealers, but to merchants, whom, in more favourable times, they invited hither from abroad, and who, during their stay in the metropolis, engaged in a number of other mercantile transactions, to the no small benefit of the general trade of the Country. When foreigners found it inconvenient to repair to London in person, for the purpose of making their purchases, the fairness of the Company's sales, and the known qualities of their merchandise, inspired them with such confidence, that they felt no uneasiness in intrusting their Correspondents with the execution of their Commissions, and the goods passed unpacked from one hand to another, on the Continent, merely upon the credit of the Company's descriptive marks. By the Act of 1793, teas cannot be put up at a higher price than the amount of cost and charges, and though a much higher price be always given by the buyers, the biddings are influenced solely by a regular demand, at no time increased by uncertainty of supply, a sufficient quantity being always on hand to prevent fluctuations in the market from the accidental loss of ships or other causes.

The private dealer knowing the extent of his custom, can calculate at every sale, within a few pounds weight the addition necessary to be made to his individual stock in order to meet the local demand for the current half year, on the expiration of which he is secure of receiving a fresh supply. In this way the practical evils incident to monopolies are guarded against, whilst the public reap all the benefits arising from the steady application of a large capital constantly employed in providing for their wants. The foreigner finding, that without capital and without risk, he can be supplied with the produce of the East through the channel of the English Company, on terms hardly less advantageous upon the whole than if he personally adventured in the Asiatic trade, is indisposed from envying either our political or commercial predominance. The British dealer is secured against the alternate recurrence of a scarcity at one time and a glut at another. The consumer is uniformly furnished at a fair price with articles unadulterated by fraud, and uninjured from long keeping; and in the collection of the *ad valorem* duties, the revenue has its full share of profit from the enhancement of price produced by competition at public sales.

No digested plan has as yet been proposed, in the event of the trade with India being opened to the British Out-ports, to protect the revenue and the fair trader against the effects of illicit commerce, and to

secure to the Country either a continuance of those advantages which are at present derived from the publicity, fairness, and regularity of the Company's sales, or any equivalent, even in prospect, for the practical benefits which the Legislature is called upon to put to hazard. It is easy to propose restraints and not exceedingly difficult to frame fiscal regulations; but every person who is at all conversant with the collection of revenue knows that the ingenuity practised in evading Government duties, is at least equal to the skill of those whose business it is to enforce them. When a new tax is imposed, several years elapse before the mode of collecting it is so far perfected as to raise the produce up to the original estimate. It is now proposed, not to ameliorate, but to change the operation of a part of our revenue system (a system which, as applicable to the trade with Asia, experience has proved to be as perfect as any that can be devised) and the effect of the change, so far as it goes, will be to place the revenue under precisely the same disadvantages that attend any novel experiment in practical finance. The saving of carriage and commission that might be effected on the goods which are now purchased in London and conveyed to different parts of the Kingdom for home consumption, would be so exceedingly trifling as scarcely to be felt by the private consumer, and is quite beneath consideration in an extended view of the subject. Yet when we investigate the arguments of the Petitioners for an open

trade with the Out-ports, if we set aside their merely theoretical reasonings on natural right, the odium of monopoly, and the general policy of leaving commerce completely unfettered by legislative interference; what besides this little practical convenience has been alleged in support of their claims? In looking at the other side of the question, considerations of far superior magnitude and weight press themselves upon our attention.

No proposition is more obvious, or likely to gain more general assent, than that every measure of policy is *prima facie* objectionable, in proportion as it tends to hurt the fair prospects of numerous classes of individuals, or to beget a great fluctuation and sudden decrease in the value of property: the risk of partial evil may no doubt be sometimes wisely incurred for the purpose of facilitating the attainment of general good; but still it is desirable that the value of what is hazarded should be fully known and duly appreciated.

The officers by whom the Company's ships are navigated, are men of high respectability and much nautical experience. Brought up in the service, their promotion is regulated by fixed rules; and the qualifications of each individual for the station he is entitled by seniority to fill, are strictly investigated before he is admitted to it. The Company's marine constitutes a sort of middle link between the Royal

Navy and the Merchant service. It has always happened at the termination of a war, that some officers of the navy who have been put upon half-pay have sought employment in the Company's ships, instead of entering the service of foreign states; and it is not unworthy of remark, that several persons who followed this course are now the ornaments of their profession and the boast of the Country. The Company's regular ships, 70 in number, employ 560 commanders and officers; their extra ships, amounting to 40, employ 140 more. To this list of 800 commanders and officers may be added 600 young men of respectable parentage and good education, who have entered the service as midshipmen, forming an aggregate of 1,400 persons, whose private prospects and professional utility in great measure depend upon the continuance of the trade in the present channel. The officers and clerks of every description employed at the India House, to the number of perhaps three or four hundred; the labourers in the Company's warehouses, to the amount of three thousand; and about twelve thousand tradesmen and artificers occupied in the supply of their shipping on the River Thames, would, together with their families, be reduced all of them to great difficulty, and many of them to absolute want. "Of what importance is it," says a wise and eloquent writer,* "under what names you injure

* Mr. Burke.

“ men and deprive them of the just emoluments of
 “ a profession in which they were not only permitted
 “ but encouraged by the state to engage; and upon
 “ the supposed certainty of which emoluments they
 “ had formed the plan of their lives, contracted
 “ debts, and led multitudes to entire dependance
 “ upon them?”

Immediately connected with this part of the subject is the large capital (certainly much under-rated at 21 millions sterling*) vested in the Company's stock and warehouses, in the East India Shipping, the Docks, and other objects subsidiary to the trade, and in the trade itself, as now carried on, which would be depreciated in value to a greater extent probably than ten times the amount of all the profit on the new capital that an unrestricted commerce would attract. Should the trade be removed from the Port of London, the stock which it has created in and about the metropolis must be brought to the hammer, and the difference in such times as the present, between a direct signal of confiscation (*cru- delem illam hastam*) and a measure involving compulsory sales is greater in name than in effect. *Sic par est agere cum civibus; non ut bis jam vidimus, hastam in foro ponere et bona civium voci subijcere præconis. At ille Græcus (id quod fuit sapientis et præstantis viri) omnibus consulendum esse putavit; eaque est summa*

*ratio et sapientia boni civis commoda civium non divellere sed omnes eadem aequitate continere.**

Although it be admitted that the interests of individuals ought to give way to the great interests of the Commonwealth (care being always taken to provide an equitable compensation for whatever losses may be sustained in consequence of the accommodation), it is equally true, on the other hand, that in all political arrangements, national security is an object of loftier importance than mercantile gain. It is highly worth while, therefore, to examine what might be the effect of the extinction, or even of any considerable diminution of the Company's marine upon the essential resources and permanent stability of the British power, both in Europe and in Asia.

The advantages which may result to the State from the Company's naval establishment in future, (should the system remain undisturbed) will be best appreciated by a few cursory references to the services which it has rendered to the Country since the commencement of the war in 1793.

The ships employed in the Company's service are built and equipped with greater care, and at a much

* Cic. de Off. l. 2.

greater expense, than any other ships engaged in the commerce of the Country. They are adapted to the double purpose of trade and warfare, and though the rate of freight is necessarily proportioned to the expense of equipment, the additional charge has been much more than compensated by the security afforded to the property embarked in them.* Their own means of defence, also, have contributed not a little to relieve Government from the duty of otherwise providing for their protection. At the very beginning of the war, when the enemy's privateers were cruising unmolested in the Indian seas, in defiance of the few King's ships then stationed in that quarter of the world, three of the Company's ships were fitted out as frigates for the purpose of keeping them in check, and giving more effectual protection to the China and country trade: a task which they performed to the entire satisfaction of His Majesty's

* An estimate may be formed of the saving under the head of insurance, in consequence of the superior equipment of the Company's ships, from the statement of the rates per £100. payable at Lloyd's on ships of different descriptions from Bengal to London, delivered on the 1st of June, 1809, to the Select Committee of the House of Commons on Indian affairs, by Mr. Grant Allen, and afterwards verified by Mr. William Bell, merchant and underwriter. From thence it appears that the ships taken up for the use of the private Merchants pay a premium of 15 guineas per cent. for the voyage from Bengal, while the Company's regular ships pay only 7 guineas, and their extra ships only 9 guineas, with a return of 2, for convoy.

Government, and of the King himself, who was pleased to bestow a special mark of his approbation upon Captain Mitchell, the Commodore of the squadron.

In 1795, when a large armament was fitting out for the West Indies, under Admiral Christian, in the difficulty of obtaining good transports, Government applied to the East India Company for the use of their ships. The request was readily complied with by the Company and the owners; and the commanders and officers cheerfully proceeded upon a hazardous and unfruitful service, by which they were thrown out of their regular and lucrative employment for the whole season.

The navy in 1796, requiring an immediate augmentation of force, and the ships then employed in the China trade being considered well adapted to supply the existing deficiency, the Company yielding to the convenience of the State, allowed the owners to dispose of a certain number to Government, who converted them into 64 and 50 gun ships.

In the same year, six of the outward-bound China ships, under the orders of Captain Farquharson, by dexterous manœuvring, deceived a French squadron, consisting of six heavy frigates, and by frightening the enemy from his station in the China seas, saved not only themselves, but a homeward-bound China fleet, which might otherwise have fallen into his hands.

In the years 1795-6 and 1796-7, that critical period, when all classes of people were vying with each other in loyal efforts to meet the exigences of the State, the Company raised 3,000 seamen for the supply of the navy, at an expense of £47,000.

Some of the Company's ships served in the expedition against Manilla in 1797; and in 1799, several more served under Admiral Rainier, in conjunction with His Majesty's squadron, when the Admiral bore ample testimony to the zeal, ability, and good conduct of their commanders and officers.

The Company in 1803 presented to Government the use of ten thousand tons of shipping, which was employed in protecting the coasts of the United Kingdom against the invasion then threatened by the enemy.

In 1804, a fleet of sixteen of the China ships, under Captain Dance, encountered a French squadron, consisting of an 84-gun ship and several frigates, which, after a severe engagement, were beaten off by the skill, judgment, and bravery of the officers and crews of the Company's ships, and property was thus saved from capture to an amount of not less than six millions sterling.

At the captures of the Cape of Good Hope, Ceylon, the Mauritius, and Java, the Company's

marine was eminently conducive to the successful issue of the different expeditions, and its services have uniformly been acknowledged in terms of high approbation by those of His Majesty's Admirals, under whose auspices it has had the honour to act.

It would be tedious, and it is unnecessary to enumerate the many instances in which single ships have maintained gallant and successful struggles with privateers, and even with frigates belonging to the enemy, thereby occasioning a prodigious saving in the article of insurance. It is obvious, however, that had the Company's ships been of a smaller size, had they been less carefully equipped, or had the officers commanding them possessed less science and experience, they could neither have constituted an occasional resource to Government, nor exerted themselves with the same effect in their own defence.

At the breaking out of a war, the ten thousand seamen, composing the crews of the Company's ships, facilitate the manning of the navy. The liberal accommodation which large ships afford, conduces greatly to the health of the seamen; and in case of sickness, they have the additional recommendation of carrying medical officers, whose assistance cannot be afforded in vessels of smaller burden. It is only on board of ships of the highest class, that European troops can

be sent to India, without being exposed to a severe mortality in the course of so long a voyage. The present channels of conveyance must therefore be kept up, if the lives of our men are to be preserved, or the security of our Indian possessions maintained. How far it is reasonable to expect that the East India Company shall maintain an expensive shipping establishment for national purposes, if they are to be deprived of all recompense as a commercial body, may be left to public justice and public candour to decide. The quantity of tonnage now employed by the Company, is much greater than what is required for carrying on their trade ; and though it is impossible to state what proportion of it, in time past, ought to be assigned to their political account, or what saving they might in future effect under the head of freight and demurrage, were they discharged from the obligations arising out of their political character, it is indisputable that their commercial charges would experience a very considerable reduction, were the discontinuance of their exclusive privileges to be accompanied with a release from their exclusive burdens, and an exemption from the pecuniary sacrifices connected with them.* To withdraw the immunities

* On this subject the Select Committee of the House of Commons on Indian Affairs, observe, in their Fourth Report, (page 426)—
 “ The shipping employed by the Company, have, in conformity
 “ with their system, been for the most part, during a very long
 “ period,

without removing the encumbrances, would be to commit an act of injustice without the temptation of benefiting from it, because a short-sighted policy in this, as in other instances, must inevitably defeat its own object.

In every view of the question, therefore, the Court of Directors have acted wisely in refusing to accede to the proposition for laying open the trade with India to the Out-ports of this Kingdom, and in so doing they have not consulted the interest of their constituents more than those of the empire at large.

Having thus endeavoured to point out (though

“ period, constructed for warlike as well as commercial service ; and
 “ have been frequently, and in fact constantly used for political
 “ purposes, either in the conveyance of troops and military stores,
 “ or in expeditions against the possessions of the enemy. The part
 “ of the freight, therefore, chargeable to the trade, can only be as-
 “ certained by estimate. Further, a practice has prevailed, whether
 “ correct or not your Committee do not pretend to determine, of
 “ charging the largest proportion of the whole freight of the voyage
 “ to the homeward-bound trade.” The practice has unfortunately
 been as here stated, and has arisen from the Government and
 trade being considered as two branches of one concern, ministering
 to the wants of each other, and gradually becoming so blended, as
 to render a separation of the accounts matter of extreme difficulty.
 However, if the homeward trade is charged with three-fourths of the
 freight, and the Government with only one-fourth, (or nothing at
 all, as is now the case in most instances), for troops and stores sent
 out, it is evident, that upon a final separation of interest, a new and
 more equal distribution of charge must follow of course.

most imperfectly) the danger and impolicy of laying open the trade with India and China, it may be of use, while pursuing the same humble path of explanation and matter of fact, to notice the principal objections that are urged against the system under which that branch of commerce is conducted.

It would be superfluous even to glance at the old argument against the trade with Asia, founded upon its tendency to drain the states which engage in it of the precious metals, because the principle on which the argument rests, has long since been exploded as erroneous, and also because the principle, were it as just as it is universally acknowledged to be fallacious, would be inapplicable to the trade as it is now carried on by this Country.

The objections at present most in vogue are directed generally against the system of monopoly, and particularly against the alleged abuses of the monopoly held by the East India Company : and to these alone is it necessary to advert.

1st. In reference to the general objection against monopolies, it is well known, that from the year 1756, the privileges enjoyed by the Company in the Indian trade, have been continued, not so much for commercial objects, as to enable them to realize any surplus of territorial revenue that might accrue, and above all to maintain and preserve the

connexion, which is found so advantageous to the paramount state, upon the only grounds on which it can safely rest. The exclusive trade to China has been conceded to them in like manner, with an enlightened regard to the geographical situation of that empire, its commercial intercourse with India, and the Company's services and sacrifices in maintaining the Indian connexion, as well as from considerations founded upon the peculiar character of the Chinese government and people.— It has likewise been shown, that the privileges enjoyed by the Company by no means form a *singular exception* to the otherwise uniform tenour of our national policy, but on the contrary, that the same spirit by which they were dictated pervades *many* of our laws and institutions. It may be farther urged, that at no time was the term monopoly strictly applicable to the privileges possessed by the Company, and that since the period of 1802, it has become an absolute misnomer. It is of the essence of a monopoly that the individual, or body possessing it, shall have the sole command of the articles in which it consists, with the power of withholding, or so disposing of them as to enhance their value in the market, and impose an arbitrary price upon the consumers. The Company instead of having a power of this sort, are obliged by law to bring to sale the commodities they import, *as early as possible*, and to dispose of them in moderate lots, at public auction, by inch of candle. No preference is given to their own goods, over those

belonging to individuals, and the consignees or purchasers at the sales receive their goods immediately on payment of the duties and other regulated charges. Though the commerce is conducted on a large capital, the Company's stock is constantly in the market, and the sharers are as numerous or more so than they would be in an open trade. The books are at all times open for every description of persons of either sex, whether British subjects or foreigners, who may desire to become members of the Corporation, and who have money to adventure. In the General Courts of Proprietors, every one present has the same right with another to deliver his sentiments and give his advice. The only difference is in voting, and this difference is established on the basis of property, and graduated according to its amount. A Proprietor of £500 stock, has a right to attend and give his opinion. £1,000 stock entitles the holder to one vote by ballot—£3,000 stock to two votes—£6,000 to three votes—£10,000 to four votes, which is the largest number any individual is permitted to possess; and £2,000 stock qualifies any Proprietor for the office either of Director or Chairman of the Company. In no sense of the term can an institution so framed and regulated be called a monopoly; and after the extension allowed to the private trade in 1802, as already explained, this obnoxious appellation might be given with more propriety to several other corporate bodies, than to the East India Company.

II. It will not be contended that a mere transfer of any given portion of trade from one class of society to another, is productive of any increase of national wealth, nor will it be denied that the operation of withdrawing one set of capitals and substituting another set in the same branch of trade, is attended with loss both to individuals and the state. Admitting, therefore, the capital in this Country applicable to the trade with India to be greater than the actual trade absorbs, it by no means follows, even on purely commercial grounds, that the restrictions under which it is carried on, should be abolished, unless it can be proved, that they have been abused by that body in whose favour they *seem* to have been imposed. A qualified form of expression is employed, because the Company's privileges, have really been paid for at a price far exceeding their value.—Setting aside, however, this consideration for the moment, let us inquire whether the East India Company have, by their conduct, exposed themselves to the imputation of having abused their trust.—The most obvious mode in which this might have been done was by starving the markets in Europe and in India, for the purpose of enriching, by extravagant profits, the proprietors of India Stock. It is not denied by the claimants of an open trade, that there has been at all times a sufficient stock of Indian commodities in this country to supply the home market, and to meet the demand of foreign Europe. It is well known, that though the profits on imports

from India have been extremely moderate, particularly of late years, the supply has usually been much greater than the demand; of which no other proof need be given than the fact already stated, of there having been at the beginning of last July, in the Company's warehouses goods of Indian produce and manufacture, to the value of nearly three millions and a half sterling, which had already passed the sales at the India House, and for which there was no vent either at home or abroad. Indeed the mercantile and manufacturing interests (as far as one can judge from their petitions and publications) seem disposed to rest their own pretensions and their arguments against the Company, chiefly upon the enlarged outlet which a free trade to the East would open to the produce of the soil and industry of this Country. It is of importance, therefore, to investigate the grounds, and the merits of this assumption. Now with respect to the grounds, they are not only purely hypothetical, but the hypothesis is directly at variance with the deductions of a long and uniform experience. Those articles which in this Country are accounted necessities, the natives of India do not want, having cheaper and more desirable substitutes of their own; and as for our luxuries, their religion prohibits their use, or they are unable from poverty to purchase them. The East India Company have been indefatigable throughout the whole course of their commercial and political history, in their

endeavours to introduce and diffuse European commodities among the natives of India, Persia, and Arabia; and with how little success their records will abundantly attest. Similar attempts were made by the French, Dutch, and other Europeans, with no better effect. The trade of the Americans with India, which has recently excited so much jealousy, has been confined to an exchange of bullion for goods. Even the private British merchants who are already engaged in the trade, and possess all the advantages of a personal knowledge, both of the most respectable tradesmen in this Country, and of the parties abroad through whose hands their shipments are likely to pass, together with large capitals enabling them to buy at the best markets, and to sell upon long credits, have already diminished, and in some instances entirely given up the exportation of goods to India. The average prices in the Calcutta market for a well selected assortment of goods, in which there must always be a large quantity of what are called perishable articles, such as beer, hams, cheese, &c., occupying a considerable space, have seldom yielded of late years a profit of more than 45 or 50 per cent. upon the whole investment when sent by the first ships, or of more than 30 or 35 per cent. when sent later in the season. The payments in India are generally made by equal instalments, at three, six, and nine months after the delivery of the goods in merchantable condition to the purchasers. The package and other charges in

England, amounting to a considerable sum, are calculated at prime cost, and the current rupee taken at 2s. 3d.; so that if the money be wanted to purchase a home investment, the bills must be discounted at a loss of from 10 to 12 per cent. per annum; and if the goods have been sold to a house in India of doubtful credit, a further premium is paid, for discount, of $\frac{1}{2}$ or $\frac{3}{4}$ per cent. per month. The charges on sending out an investment to Bengal (which is reckoned the best market) may be thus stated:

Freight, insurance, duties, and landing, charges in India, short delivery, agency on the sales, remittances, &c.	35 per cent.
Loss on calculating the payments at 2s. 3d. the current rupee, and only prime cost on packages and charges	3
And if the proceeds are remitted in bills of exchange at 2s. 6d. the sicca rupee, 12 months after sight, or 18 months after date	7½
	<hr/>
	£ 45½ per cent.
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There are other incidental charges arising occasionally from the necessity of discounting the bills, &c., against all which there is nothing to place but the credit allowed in England, or discount for prompt

payment on laying in the goods. On some commodities the freight and charges may be less than is above stated, but on goods that occupy little room the profit is proportionally smaller, and a very inconsiderable quantity of such articles is wanted to supply the market. Were unmixed cargoes of hardware, cotton goods, or of any of the great staples of this Country sent out to India, the returns would not equal one-half of the first cost and charges. If it be asked how the Commanders and Officers of the Company's ships contrive to render such a trade profitable, it may be observed, that they have many advantages over other traders: such as a saving of freight, commission, &c., and opportunities of trading from port to port in India. Of late years, however, they have gained rather by their passengers than their trade.

In answer to the objection that the Company are *unable* to compete with their rivals in providing the home investments, we may adduce the evidence given before the Committee of the House of Commons by a respectable merchant who lived thirty years in Bengal, and shipped goods on his own account to London. "The Company, from their
 "greater capital, and generally speaking, the better
 "intelligence and skill of their servants, are able
 "to carry on the trade with India with more ad-
 "vantage to themselves and to the country, than
 "individuals. I presume always, that the illicit

“ practices of individuals are out of the question, and
 “ that the trade is to be fairly carried on * * * *.
 “ The Company’s goods have a character for excel-
 “ lence which the goods of private persons do not
 “ attain. This gives the Company a considerable
 “ advantage in the European market. A foreign
 “ merchant can give his correspondent in London an
 “ order to purchase the Company’s goods, with con-
 “ fidence that they will prove of the quality he
 “ desires. With respect to the goods of individuals
 “ he is at an uncertainty ; he must trust to the judg-
 “ ment and attention of his correspondent, and is
 “ liable to disappointment in the quality of the goods.
 “ The Company’s goods, therefore, sell at a higher
 “ price than the goods of private persons, even
 “ though such goods may be equal in quality to the
 “ Company’s. When engaged on my own account
 “ in correspondence to this country from Bengal, I
 “ conceived the difference to be equal to fifteen per
 “ cent. on piece goods, though my goods were pro-
 “ vided with great care and attention. The com-
 “ mission which falls upon the goods of private
 “ merchants at the different places of purchase, ship-
 “ ment, and sale, except where the owner himself
 “ may reside, on the transit from the place of pro-
 “ duce in Bengal through Calcutta and London to
 “ the place of consumption abroad, by its repetition,
 “ acts with a pressing weight upon the proceeds of
 “ the goods, and abates the profit or eventually
 “ creates a loss. Some of the rates of Commission

“ were 10 per cent for procuring goods at the place
 “ of manufacture, $2\frac{1}{2}$ per cent for shipping, and
 “ $2\frac{1}{2}$ per cent on the gross sales in London.”*

When due consideration is given to the difficulties with which the East India Company have had to contend in the prosecution of their trade, to the necessarily limited demand of the natives both of India and China, for the productions, whether raw or manufactured, of this Country—to the frequent absorption, in political enterprises, of those funds which would otherwise have been appropriated to commercial investments, the competition of private trade, the rival efforts of America, a state of long-protracted warfare, the prohibitory edicts of the enemy, and to the improvement in our domestic fabrics, which has in great measure superseded the use of Indian manufactures in this Country, it is matter of surprise that their imports and exports should have attained their present level, rather than that they have not reached a higher point. The select committee of the House of Commons, in their fourth report upon the affairs of the East India Company, have drawn a comparison of the actual extent of the Company's Trade, according to the produce of their sales at home, the prime cost of the goods

* Minutes of Evidence, 18th and 20th May, 1809.

imported, and the profit thereon, with the several estimates as presented to the House previously to the passing of the act of 1790, from which it appears that,

The annual extent of the import trade, according to the sale produce, was estimated in 1793, as follows,

India	.	.	£2,314,000
China	.	.	2,673,400
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Total			£4,988,300
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The actual extent of the sale produce of goods from India, on the average of seventeen years, from 1793-4 to 1809-10 has been £2,637,746, exceeding the estimate by £322,846.

The actual sale produce of goods from China, on the average of the same seventeen years, has been £3,405,663, being more than estimated by £732,263.

The total gross produce of sales from India and China has been, on the average of those seventeen years, £6,043,409, surpassing the estimate by £1,055,109.

The extent of trade estimated in 1793, as to the prime cost of the goods imported, was

From India	.	.	£1,121,300
China	.	.	1,388,531
			<hr/>
Total			£2,509,831
			<hr/>

The prime cost of goods imported from India has been, on the average of the above seventeen years, £1,356,490, being more than estimated by £235,190.

The average prime cost of goods imported from China, in the same seventeen years, was £1,597,474, being £208,943 above the estimate.

The total average excess of the prime cost beyond the estimate, has been £444,133.

The estimated profit in 1793, upon the scale of trade immediately in prospect, was

India	.	.	£267,615
China	.	.	636,919
			<hr/>
Total			£904,534
			<hr/>

The average profits on the trade from India, during the whole period of seventeen years, was £309,561, exceeding the estimate by £345,013.

The average profits on the whole trade with India and China, has been £1,291,493, exceeding the estimate in the sum of £386,959.*

The actual prime cost of goods and stores exported by the Company to India and China, in the seventeen years commencing with 1793-4 and terminating with 1809-10, according to the same report of the Committee,† amounted to £28,237,048, giving an annual average export of £1,661,002.—Of this sum of £28,237,048, £5,883,320 was paid for stores, and £22,888,567 for goods.

The average export of seven years, 1791-2 to 1797-8, was to the value of £1,116,109.—The average on the ten following years, 1798-9 to 1807-8, was £1,877,290.—Upon this increase, however, the Committee observe,‡ that “the value of goods and
“ stores remaining on hand in India and China,
“ between 1804 and 1809, was to an amount very far
“ exceeding that on the antecedent years between
“ 1792 and 1804, and what remained on the export

* 4th Report, pages 429, 430, 431.

† Ibid. page 437.

‡ Ibid. page 435.

“ goods, on the 30th of April, 1809, amounted to
 “ more than £900,000, *from which it is evident that*
 “ *the Indian markets have been supplied to the utmost*
 “ *extent of their demand, independently of consignments*
 “ *made by private traders.* The increased residue of
 “ stores does not appear so great in proportion as that
 “ of goods, and is not liable to the same observa-
 “ tion, &c.”

The profit upon the sale of exports, calculated upon the prime cost and without reference to any charge on the consignment for freights, &c., amounted from 1792-3 to 1808-9,

To China	.	.	£266,404
India	.	.	837,940
			£1,104,344*

The promptness of payment on the part of the Company for manufactures, &c. exported by them, is noticed with just approbation by the Committee;† and the punctuality with which the payments have been made for the goods purchased at their sales, in which there appears to have been a deficiency of only

* 4th Report, page 436.

† Ibid. page 437.

£32,806, upon a demand of £103,386,439, is accompanied with the following remark. “ It is satisfactory to find in so extensive an amount, the deficiency so small as stated, being only $7\frac{1}{2}d.$ per Cent., which your Committee cannot but observe suggests an impression highly favourable to the management of this Branch of the Commercial concerns of the Company.”*

The Committee farther observe, that “ the total revenue drawn by the state from those two branches of Trade, during the seventeen years (from January 1793, to January 1810), has amounted to no less than £39,348,358, being on an average £2,314,609, per annum, of which £399,555, was on the Trade from India exclusively.—In the whole Seventeen years the Duties on the Trade from India, amounted to £6,792,434, being on the average £399,555, as before stated. In the Eleven years, ending January 1810, they amounted to £5,054,170, or on the average £459,470, and on the four years, ending January 1810, the average was £525,005. The produce in the next year was £457,489. It should be remarked that the Export Trade of this Country in the several years last mentioned, was involved in difficulties of an unprecedented nature. Your Committee have been

“ more particular in their explanations of the Duties
 “ upon the India Trade, as that from China depends
 “ much more upon home consumption; but the
 “ average produce of Duties on the latter in the Eleven
 “ years, ending January 1810, exceeded the average
 “ of the seventeen years, in the sum of £525,721,
 “ and the sum realized in the year, ending January
 “ 1811, was more than that average by £1,788,012.
 “ The produce of Duties and Customs on the whole
 “ of the Trade from India and China in the year
 “ ending January 1811, amounting to £1,160,555,
 “ exceeded the average on the antecedent seventeen
 “ years by £1,845,946: it likewise exceeded the
 “ produce of the preceding year, by the sum of
 “ £682,397. Your Committee entertain the greater
 “ satisfaction in offering to the House, so favourable
 “ a view of the productive powers of this very im-
 “ portant branch of the Trade of the Empire in aid
 “ of its resources, from being enabled at the same
 “ time to State, that the Profit of the Company on
 “ the whole of their Trade in the year ending March
 “ 1810, was greater than in any year during the
 “ whole period, with the exception of the years
 “ 1800-1 and 1801-2.”*

Whilst the source from which these Statements
 are drawn, leaves no room for doubt respecting their

* 4th Report, page 436.

authenticity, the facts they contain are the best refutation that can be given to the calumnies which have been so industriously circulated against the Commercial management of the East India Company. For though the estimates of 1793 were framed with a view to peace both in India and Europe, and the Country since that period has been engaged in continual war in both hemispheres, the Trade has far exceeded the expectations that were formed respecting it.

To those who are desirous of taking a retrospect of the Company's Commerce, for a longer period than that comprehended in the inquiries of the Committee, the following statement, the accuracy of which may be relied on, will not be unacceptable.

		Paid for Goods & Bullion Stores export- ed.		drawn on the Court of Directors. Sale of Goods.	
		per Ann.	per Ann.	per Ann.	per Ann.
		£.	£.	£.	£.
From 1751 to 1741	aver. of 10 years	464,574	152,609	167,410	1,700,675
1741 to 1747	6	567,238	169,411	230,211	1,907,105
1747 to 1757	10	767,057	167,730	161,482	2,143,459
1757 to 1767	10	121,287	428,707	432,891	2,315,575
1767 to 1777	10	110,042	489,081	438,768	3,313,386
1777 to 1784	7	5,653	500,089	761,425	3,154,964
1784 to 1790	5	617,930	635,145	1,551,985	4,572,466
1790 to 1793	3	466,893	935,776	668,366	5,103,094
1794 to 1800 both inclusive	7	357,020	1,275,324	1,408,166	6,168,945
1801 to 1807	7	912,925	1,993,317	1,157,519	6,204,089
1808 to 1811	4	51,815	1,870,352	1,966,633	5,031,095

* This column of the account contains the invoice price of the Goods and

N. B. In the above account the amount received from Government for Salt-
 duty, is included down to 1761, and excluded afterwards.

The amount received under this head, from

1691 to 1699, average of 7 years per annum, was	£ 37,532
1801 to 1807, ditto ditto ditto	12,857
1806 to 1811, average of 4 years ditto	145,002

A particular analysis of the foregoing statement could require a minute survey of political events both in India and Europe, during the period which embraces, and a detailed examination of their influence upon the trade. But a few observations which obviously suggest themselves upon a cursory inspection of its contents, will be sufficient for the purpose immediately in view.

In reference to the *Exports* it will be seen, that previously to the acquisition by the Company of territory in India, there was a large export of Bullion thither, and that the exports in Goods and Stores were comparatively inconsiderable, the imports both from India and China, having been at that time obtained in exchange for the precious metals.

In consequence of the Company's conquests during the war of 1756, and more remarkably still of the cession of the Dewannee in 1765, the nature of the intercourse with India underwent a great altera-

stores exported, which is 10 per Cent. added to the prime cost. In the statements of the Committee of the House of Commons, the prime cost is given.

tion, and the trade, instead of being conducted as before, on the principle of exchange, became a channel of remittance (either directly from India or circuitously through China to this Country) for the surplus revenue then existing after defraying the expenses of administration and internal government. The small quantity of Bullion exported was sent for the most part to China, and the remainder to Bencoolen, St. Helena, &c.

The exports in Goods and Stores about the same period, experienced an augmentation in some degree proportioned to the diminution in the export of Bullion, but the gradual augmentation down to this day is to be accounted for rather from the increased demand for European consumption, and the necessary supply of the governments abroad, than from the diffusion of British produce among the natives of those provinces that have devolved under our authority.

The renewed export of Bullion, from 1784 to 1790, was caused by the passing of the Commutation Act, the immediate consequence of which was an augmentation in the Company's imports of tea from China to the extent of ten millions of pounds weight annually, and for which Bullion was the principal medium of payment.

The export of Bullion from England, after declin-

ing between 1790 and 1800, was renewed to a great extent in the seven following years, owing to the wars in India, which not only absorbed the revenue of the territories, but occasioned a large accumulation of debt, which every exertion was made to reduce by this and other means.

In the four subsequent years, from 1808 to 1811, the exportation of Bullion by the Company almost entirely ceased, the commodities sent from England and India to China, having been more than sufficient to pay for their tea investments; and in the course of the last-mentioned period there has been a considerable reflux of the precious metals from Asia to Europe, which has come opportunely in aid of the treasury at home.

The Bills drawn on the Court of Directors have in part contributed to keep up the connexion between India and China, these bills having been frequently granted to individuals trading from India to China, who in return paid the proceeds of their merchandise into the Company's treasury at Canton, at fixed rates of exchange. In this way they have proved a convenient resource for the Company when the surplus revenue of their territories was absorbed by wars in India. But by far the greater proportion of those bills has been drawn in aid of the Governments abroad, and in liquidation of debts contracted by them in the prosecution of wars in India.

The large amount of Bills drawn between 1784 and 1790, and far exceeding the proportion of former periods, was occasioned chiefly by the expense incurred during the American war, in which the Company had to sustain an arduous contest with the native powers of India, assisted by the European enemies of Great Britain: a contest in which the success of the Company's exertions, tended in no small degree to support the honour and reputation of this Country, under the disasters which attended her arms in other quarters.

In the course of the seventeen years from 1793-4 to 1809-10, the Company's nett payments for Bills of exchange drawn from India and China, amounted to £23,495,054.* These Bills which have operated as a grievous burden upon the home treasury (as will be shewn more particularly afterwards) arose either out of the permission granted by the Court of Directors to their Governments abroad to draw upon them in liquidation of the Indian debt, or out of the option allowed to the Company's Indian creditors, of taking payment in England of the Interest half yearly, and of the principal when due of the loans advanced by them to the Company in India; an option of which they have availed themselves to a great extent.

The Statement shews the *Sales of Goods* to have gradually increased, from 1741 to 1807, in the ratio of 17 to 42. From 1808 to 1811, the average scale rose to 56, notwithstanding the prohibitory edicts of the enemy, a fall of prices in the home market, and the great loss of Goods in the passage from India to Europe in the course of 1808-9.

It is to be observed, however, that but an imperfect idea of the Company's commercial enterprise can be derived from the statement; because in the first place, it does not comprehend the Sums which they have received subsequently to the year 1784, for Saltpetre delivered to Government, and, 2dly, because in this and various other instances they have sacrificed their own gains to the public accommodation.

The Sum received by the Company from the Board of Ordnance, for Saltpetre, between the years 1793-4 and 1809-10, amounted to £961,941; and during the same period the Company sustained a loss, by supplying Government with this article, to the amount of £436,689. Although by the Act of the 31st George III. cap. 42, they were only bound to deliver to the Board of Ordnance, Saltpetre to the extent of 500 tons annually, at the average prices at which it was put up at their Sales, (viz. the prime cost and charges) the actual deliveries

have averaged 1,456 tons annually, and no allowance has been made them for this excess.*

The exertions and sacrifices made by the Company in encouraging the production of Indigo, Raw Silk, and Sunn Hemp, in their Indian territories, whilst they reflect credit upon their enterprise, have established in their favour an undoubted claim upon the gratitude of this Country.

In the early period of the Company's intercourse with Asia, *Indigo* constituted an important part of their home investments, but in order to avoid competition with the British Colonists in the West Indies, and the Southern States of North America, they afterwards discontinued the importation of that article. The cultivation of Indigo in the West Indies, having been relinquished about the middle of last century, in consequence of a heavy duty then imposed upon it, the trade fell into the hands of foreign nations, till the year 1779, when the Company directed their endeavours to renew its cultivation in their Indian territories, and in the course of a few years expended about £80,000, in the prosecution of that object. Having applied this powerful stimulus to its cultivation, the Company not only resigned the

trade to their own civil servants, and to the free merchants, who with their permission had settled in India, but supported them under the difficulties in which they were subsequently involved, by pecuniary advances to the extent of near a million sterling upon the security of their produce;* so that under the Company's fostering care, the value of the Indigo disposed of at the home Sales, has of late years considerably exceeded a million sterling annually, exclusive of large quantities that have been exported from India in the Country trade, and by American, Arabian, and other vessels.

Previously to the year 1776 the British manufacturers drew their supply of *raw silk* almost entirely from the southern countries of Europe. The soil and climate of Bengal being exceedingly well adapted to the cultivation of the Mulberry-tree, and to the rearing of the silk-worm, the Company have been unceasing in their exertions for the last thirty-six years, to render the British silk weavers independent of foreign nations for a supply of the raw material of their manufacture. Although for the ten years from 1776 to 1785, the Company sustained a loss of £884,744.† upon their silk sales, they steadily

* McPherson's History of the European Commerce with India, page 200.

† Ibid. page 223.

persevered under many difficulties in continuing and extending this important branch of commerce. The natives of India have been instructed in the Italian method of winding the silk, and the people occupied in the throw-mills of this Country have been employed by the Company in organizing it. Notwithstanding the vast increase in the cotton manufacture, which has greatly reduced the demand for silk, and the opposition of those concerned in importing organized silk from the continent of Europe, there is now a regular importation from India of silk in its raw state, to the value of £600,000 annually :* and the supply may be carried to any extent, provided that the Company are duly protected against a preference to the produce of Italy and France.

If Great Britain still remains to a certain degree dependent upon foreign Europe for a supply of *hemp*, it is not owing to any remissness on the part of the East India Company to render available one of the most useful productions of their Indian territories as a substitute. In the year 1796 the Company commenced the importation of Sunn hemp, which grows in vast abundance in the Island of Salsette and in several districts of Bengal. They at first sold it without any view to gain, and even gave it away

* Appendix to 4th Report of the Committee of the House of Commons, No. 24.

to the rope-makers in this Country for the purpose of inducing them to make experiments of its strength and durability in different sorts of cordage. The result of those experiments was favourable upon the whole, for though it is rather inferior to Russia hemp, in the formation of small ship-tackling, it has been found better adapted to the manufacture of cables and large ropes, which occasion the principal consumption of hemp. In consequence of the difference between England and Russia which took place in 1800, the price of Russia hemp, which in 1792 had been sold at £23. 10s. having risen in 1803 to £61 per ton, His Majesty's Ministers urged the Court of Directors to promote the cultivation and importation of Sunn for the supply of the navy. Immediate instructions were accordingly dispatched by the Court to the Bengal Government to spare neither trouble nor expense in procuring an ample supply of an article from which great public benefit was likely to be derived; and hemp-dressers were at the same time sent out to India to teach the natives the best method of preparing it. But before the cargoes arrived an unexpected fluctuation in the politics of Europe had removed the obstruction to the acquisition of Russia hemp, and the Sunn was disposed of by the Company at a loss of £45,000. In 1807 the Directors proposed to Government to import for the use of the navy, and to deliver into His Majesty's storehouses, *without a profit*, as much Sunn as might be required, and the offer having

been accepted, the importation has been continued upon this footing ever since. Another change in the political relations of Europe has again, in the course of the present year, opened the ports of Russia to the commerce of this Country, and a quantity of hemp is stated to have been already received from thence sufficient for two years' consumption. It is obvious that under such vicissitudes, added to the prejudices which oppose the introduction of every new article into general use, ~~no~~ discovery, however valuable in itself, can be productive of the same advantages which in different circumstances might be derived from it. The resource, however, is in existence;—the East India Company have shewn both alacrity and disinterestedness in exploring it and rendering it accessible;—and it now depends not upon them, but on the Government of this Country, whether its powers shall be stunted or developed to the utmost extent of their capacity.

Respecting the article of *cotton-wool*, which has sometimes been made a subject of charge against the Company, it is only necessary to observe, that as it is one of the staple productions of India, its cultivation requires no *special* encouragement. It is the raw material of one of the principal manufactures of that country, and has (particularly of late years) been exported thence in large quantities to China. The Company have also occasionally imported it into this Country, and have uniformly granted every

facility to its importation on account of private merchants. It has been found, however, that from the length of the voyage and the high rate of freight payable in time of war, East India cotton cannot support a competition in the London market with that produced in the West Indies, Brazil, and North America. Yet Factories have been established by the Company, both in the upper part of India and in the province of Guzerat, for the purpose of ensuring a regular supply of this article in a clean state (for when it is brought home unpicked, it cannot possibly bear the charge of cleaning in this Country, superadded to the expense of freight), and should the war with America be unhappily prolonged, no disappointment is likely to occur for the future in obtaining a supply sufficient to answer all the demands of the British manufacturer.* But nothing can be more unreasonable than at once to compel the East India Company to admit the private merchants into a share of their trade, and at the

* To enable East India cotton to maintain a competition with that produced in Brazil or the United States, it is absolutely necessary that the duties should be levied *ad valorem*, instead of being levied as at present upon the weight. The former sells at from eight-pence to one shilling a pound, whereas the latter brings from eighteen-pence to two shillings, and the existing rate of duty is common to both ; a circumstance which of itself establishes a preference in favour of a foreign article, to the discouragement of the produce of our own territories.

same time to dictate to the Company (as has been too often attempted) what goods they are to import and export. If the Company have in time past committed any fault in the conduct of their trade, it has been in too frequently deviating from the sound commercial maxim of dealing only in those goods on which a profit can be realized. In these deviations they have been actuated by a desire to benefit the State and to accommodate their fellow-subjects; but the boons which they have thus conferred, instead of being thankfully accepted, have in various instances been turned against them, either as weapons of attack or as means of extorting farther sacrifices.

Had the Proprietors of East India Stock received immoderate profits upon the capital they embarked in the trade, it might be urged, at least with plausibility, that the nation at large have a just claim to a participation in the gain; and that though, like other patentees, the Company might be entitled, at the out-set, to a fair reward for their skill and enterprise, the period for which the Patent was granted being nearly elapsed, it ought now, upon the common principle by which the dispensation of similar privileges is limited, to be suffered to expire. But the truth is, that in the present instance the Patentees have been uniformly the losers, and the Public the gainers; for the Patent was not, as in other cases, free and unqualified, but has been, in fact, (whatever may have been the intention of the

donors,) clogged with conditions which have rendered it rather an onerous obligation than a beneficial license to the holders. This can hardly admit of doubt, when it is recollected that the India Stockholders have hitherto received little more than common interest for their money in a trade combining great political, with the most hazardous commercial risks. Mismanagement, indeed, on the part of the Court of Directors, is called in by the adversaries of the Company, according to their varying objects, for the purpose of solving this and many other problems. Supineness, carelessness, and extravagance, are represented as vices inseparable from all Joint-stock Associations, and, therefore, the East India Company, because it answers this description, by an awkward attempt at syllogistic reasoning, is pronounced slothful, negligent, and prodigal. "Every man thinks, Peter is a man, and therefore "Peter thinks:"—granted; but though an ass be an animal, and man may likewise be so denominated, it does not follow, by any law, either of nature or of logic, that Peter is the beast of burden so remarkable for sluggishness and long ears.

Can Syllogism set things right?
 No; Majors soon with Minors fight,
 Or both in friendly consort joined
 The consequence, limps far behind.

It is difficult to conceive why the Proprietors of East India stock should be more indifferent to their

own interests, or less capable of discerning when their affairs are well or ill-managed, than any other body of men. The election of Directors takes place annually, and a meeting of Proprietors is held quarterly, to deliberate upon the general state of the affairs, and upon the conduct of their Representatives. The accounts of the Company's revenue and disbursements, and of their commercial receipts, charges, and payments, are regularly submitted to Parliament every year; and notwithstanding all these checks and the opportunities afforded by such publicity of proceedings for discovering misconduct on the part of the Directors, their management stands unimpeached, either by their immediate Constituents, or by the Legislature. Until the evidence of facts, therefore, is exploded, as unsatisfactory or obsolete, and inferences founded upon random assumption are sustained as a rule of judgment, the Company may surely be permitted to oppose their conduct (open as it is to investigation) to the unsubstantiated allegations of their adversaries. And if no instance of misconduct can be proved against the Company, all the arguments and claims that have been founded on supposed abuses, must necessarily fall to the ground; in as much as *de non apparentibus et de non existentibus eadem est ratio*, or in other words, as evidence not produced is the same as no evidence at all.

It being less the object of the Author of these remarks however to vindicate the East India Company

against the imputations cast upon them by their adversaries, than to contribute to the general information, upon a question of great public importance, and to put the Legislature on its guard against a decision, which, though it may gratify the prejudices will be permanently injurious to the interests of the nation; it is material, with a view to this object, to consider the consequences which cannot fail to ensue, both to the Company and to the speculators who are likely to embark in the trade with India in the event of its being laid open.

The great objection to the argument employed by Lord Melville, in his Letter to the Chairman and Deputy, of the 21st March, 1812, (as quoted in page 31), is that the trade with India is *necessarily limited*, and that whether it be carried on by the Company, or by individuals, it never can be pushed beyond the demand which exists in India for European productions, and in Europe for the produce and manufactures of India. This demand is now amply supplied by the Company, and no individual exertions can greatly extend it. If a given capital be sufficient to carry on a certain branch of trade, it is obvious that any accession of capital is unnecessary, and therefore would be misapplied: and if the profits yielded by the same branch of trade, under judicious management, are barely adequate to pay the trouble and risk of the actual adventurers, it is equally indisputable

that the only effect of additional competition will be to glut the markets, and ruin the competitors.

To those who have perused the Printed Evidence given towards the close of the last Session of Parliament, before a Committee of the whole House of Commons, on the Orders in Council, it must be apparent, that the speculations which were undertaken to different parts of South America, ignorantly and unwarrantably, no doubt, but naturally enough, at a period of great commercial stagnation, were the cause of distress and bankruptcy to numbers of our merchants and manufacturers. In the evidence of the Chairman of the Chamber of Foreign Commerce, at Birmingham, these speculations are represented to have been the effect not merely of rashness, but of absolute insanity; and well they might, if the passage extracted in a note below from an interesting work lately published by an intelligent observer, contains a correct account of the mode in which they were conducted.*

* "It may not be improper in this place to describe the consequences produced in Rio de Janeiro, by the excessive commercial speculations into which our merchants entered, immediately after the emigration of the Court of Portugal, and which could only be equalled by those which followed our expeditions to the Rio de la Plata.

"Owing

The author of the curious narrative, was an eye-witness of what he relates, nor does there seem to be any reason for doubting his veracity. The delusion

“ Owing to the incredible competition, or struggle among our
 “ merchants, who should send most ships and cargoes to a country
 “ whose civilized population, exclusive of slaves, does not exceed eight
 “ hundred thousand souls, (one-third at least of whom may be said to
 “ make use only of what the land produces), it is natural to suppose,
 “ that the market would be almost instantly overstocked. So great
 “ and so unexpected was the influx of English manufactures into
 “ Rio de Janeiro, within a few days after the arrival of the Prince,
 “ that the rent of houses to put them into, became enormously dear.
 “ The bay was covered with ships, and the custom-house soon
 “ overflowed with goods, even salt, casks of ironmongery and nails,
 “ salt fish, hogsheads of cheese, hats, together with an immense
 “ quantity of crates and hogsheads of earthen and glass ware, cordage,
 “ bottled and barrelled porter, paints, gums, resin, tar, &c. were ex-
 “ posed not only to the sun and rain, but to general depre-
 “ dation. The inhabitants of Rio de Janeiro, and more particu-
 “ larly some of the Creolians and strangers from the interior, thought
 “ that these goods were placed there for their benefit, and extolled the
 “ goodness and generosity of the English who strewed the beach to a
 “ great extent with articles for which their own countrymen had here-
 “ tofore charged them such high prices. It is true, that the gentlemen
 “ intrusted with these valuable consignments, did apply for sentinels
 “ to be placed to guard the articles thus exposed, and their request
 “ was immediately complied with. The result was such as might
 “ easily have been anticipated from such watchmen, many of whom
 “ did not fail to profit largely by the appointment. In the course of
 “ several weeks the beach began to assume a less crowded appear-
 “ ance; some few of the goods were taken to the residence of their
 “ owners, others were removed; but to what place, or by whom,
 “ there was no way of ascertaining; and a very great proportion

now existing throughout the Kingdom, founded on the advantages anticipated from a free trade with Asia, is, if possible, still more gross and prevalent

“ was sold at the Custom-house *for the benefit of the Underwriters.*—
 “ This stratagem so frequently practised (and certainly deserving
 “ of the severest reprehension), afterwards operated as a very serious
 “ injury to the regular sale of articles; for as the market was so
 “ overstocked, scarcely any one would offer money for goods, ex-
 “ cept at the Custom-house sales. As the depreciation continued,
 “ numberless packages were there exposed for sale, in part damaged,
 “ or apparently so. Indeed little more than the mark of a cord on
 “ the outside of a single article, or a corner discoloured in a pack-
 “ age, however large, was a sufficient pretext for presuming and
 “ pronouncing the whole to be damaged. By means of this sen-
 “ tence so easily obtained, great quantities of goods were brought to
 “ the hammer in the Custom-house warehouses, under every disad-
 “ vantage; thus the owners recovered the amount insured for, and
 “ the insurers lost the difference between that sum and the price
 “ they were sold at, also the attendant expenses. Many of the
 “ Underwriters will, no doubt, retain a lasting remembrance of the
 “ sales which took place at Rio de Janeiro, and other parts of South
 “ America *for their benefit!*

“ To the serious losses thus occasioned by an overstocked market,
 “ and by the sacrifice of goods at whatever prices could be obtained,
 “ may be added another, which originated in the ignorance of
 “ many persons who sent out articles to a considerable amount, not
 “ at all suited to the country: one speculator, of wonderful fore-
 “ sight, sent large invoices of stays for ladies, who never heard of
 “ such armour; another sent skates for the use of a people who are
 “ totally uninformed that water can become ice; a third sent out a
 “ considerable assortment of the most elegant coffin furniture, not
 “ knowing that coffins are never used by the Brazilians, or in the
 “ Plata. To these absurd speculations may be added numerous

than that which obtained some years ago, regarding the expected outlet for British commodities in La Plata and Rio de Janeiro; and if the new Par-

“ others, particularly in articles of taste; elegant services of cut-
 “ glass were little appreciated by men accustomed to drink out of a
 “ horn or a cocoa-nut shell; and brilliant chandeliers were still less
 “ valued in a country where only lamps that afforded a gloomy light
 “ were used. Superfine woollen cloths were equally ill-suited to the
 “ market; no one thought them sufficiently strong. An immense
 “ quantity of high priced saddles, and thousands of whips were sent
 “ out to a people as incapable of adopting them as they were of
 “ knowing their convenience. They were astonished to see English-
 “ men ride on such saddles, nor could they imagine any thing more
 “ insecure. Of the bridles scarcely any use could be made, as the
 “ bit was not calculated to keep the mule in subordination: these
 “ articles were of course sacrificed. Great quantities of the nails
 “ and ironmongery were useless, as they were not calculated for the
 “ general purposes of the people. Large cargoes of Manchester
 “ goods were sent out, and in a few months more arrived than had
 “ been consumed in the course of twenty years preceding. No dis-
 “ crimination was used in the assortment of these articles, with re-
 “ spect either to quality or fineness, so that common prints were dis-
 “ posed of at less than a shilling a yard, and frequently in barter.
 “ Fish from Newfoundland met with a similar fate: also porter,
 “ large quantities of which, in barrels, arrived among a people of
 “ whom only a few had tasted that article as a luxury. How the
 “ shippers in London, and other British ports, could imagine that
 “ porter would at once become a general beverage, it is difficult to
 “ conceive, especially when sent in barrels. These cargoes being
 “ unsaleable, were of course warehoused, and of course spoiled.—
 “ Newfoundland fish, that was generally sold at from twelve to
 “ twenty dollars per quintal, was now unsaleable at four, and in
 “ many instances did not pay warehouse-room. Earthenware was

liament have not wisdom, as well as firmness enough to resist the popular clamour, all the difficulties under which the country at present labours, will sink into

“ perhaps rather more favourably received than many of the former articles, for plates, &c. soon came into general use. Having enumerated various commodities which suffered a general depreciation, it may be sufficient to add, that many invoices of fancy goods, and such as do not constitute a staple trade, were sold at from sixty to seventy per cent. under costs and charges, and others were totally lost. * * * * What must have been the delusions of those traders who sent out tools, formed with a hatchet on one side, and a hammer on the other, for the convenience of breaking the rocks, and cutting the precious metals from them, as if they imagined that a man had only to go into the mountains and cut as much gold as would pay for the articles he wanted !

“ Other evils resulted from these excessive and ill-judged speculations to South America, which might naturally have been anticipated. The first was, that the produce was bought up with such avidity, that many articles were soon double their ordinary value, and continued to rise as our manufactures lowered. But this was not all : the purchasers suffered equally from their ignorance of the articles, as from their eagerness in purchasing them. For instance, any kind of sebaceous matter was greedily bought for tallow ; and numberless hides spoiled in the drying, and eaten by the grub, met with ready sale. Little attention was paid to the state they were in ; and thus it frequently happened, that lots and cargoes of those articles, instead of reimbursing the adventurer, to whom they were consigned, scarcely paid freight and charges. This was also the case with coffee and other staple articles. Many gentlemen more knowing than others, sent home lots of curious wood, and even entered into the illicit trade of shipping the dyewood, which generally proved very disadvantageous, as the wood

utter insignificance, before the calamities that must result from blind and headlong compliance with the petitions which loaded the tables of its predecessor.

“ of that species, grown in the vicinity of Rio de Janeiro, is very inferior in quality to that of Pernambuco from whence that trade is allowed by contract. The folly of speculation did not stop here ; precious stones appeared to offer the most abundant source of riches ; the general calculation was made upon the price at which they sold in London : but every trader bought them more or less, at the price at which they were offered : invoices of goods were bartered for some, which in London would sell for comparatively a trifle, as they were taken without discrimination as to quality or perfection : tourmalines were sold for emeralds ; crystals for topazes ; and both common stones and vitreous paste have been bought as diamonds, to a considerable amount. Both gold and diamonds were well known to be produced in Brazil ; and their being by law contraband, was a sufficient temptation to eager speculators, who had never seen either before in their native state.— False diamonds were weighed with scrupulousness, and bought with avidity, to sell by the rules stated by Jefferies. Gold dust, as it is commonly called, appeared in no inconsiderable quantity, and after being weighed with equal exactness, was bought or bartered for. But previous to this, many samples underwent the following easy and ingenious process :—The brass pans purchased of the English, were filed and mixed with the gold, in the proportion of from five to ten per cent. according to the opinion which the seller had of the sagacity of the person with whom he had to deal : and thus by a simple contrivance, some of our countrymen re-purchased at three or four guineas per ounce the very article which they had before sold at 2s. 6d. per pound.”

After adverting to the utter incapacity, from a variety of causes, of the mercantile agents, who were sent out to Brazil successfully

The hopes entertained at the period of the repeal of the Orders in Council, of a speedy adjustment of our differences with the United States, and of the revival of our accustomed trade with them, have been unfortunately frustrated by the

to conduct the affairs of their constituents, to the disputes which arose between them and the natives, and to the disappointments of the manufacturers in this country, from the failure of remittances, which brought many of them into the Gazette, and obliged others to change their consignees, with no other effect than a renewal of disappointment; Mr. Mawe observes:—

“ Had it been possible to bring the whole trade to Brazil, under one interest, many of those fatal consequences might have been prevented. It should have been under the direction and control of experienced merchants, who would have sent out such articles as were known to be wanted, and whose agents would have been actively employed in obtaining intelligence respecting the population of the country, its produce and consumption, particularly in goods of English manufacture. Interest would naturally prompt them to order and buy all that the country required, and return to this country those articles which were most likely to answer the general demand.

“ If the trade had been properly conducted, we should have received for a fifth of the produce which has been sold, the same amount which has been paid for the whole, and it is certain, that the purchasers would have been better satisfied; for to vend goods at a reasonable price, is the certain way to keep the demand steady, but to force them upon the consumer, whether he wants them or not, is to render what was once a luxury, so common as to become contemptible.” *Travels into the Interior of Brazil*, by John Mawe. London, 1812, pages 324 and 332.

subsequent intervention of declared hostility. This event will probably increase the eagerness of the mercantile and manufacturing classes to seek indemnity for their disappointment in what they deem the rich and unexplored countries of the East. They will discover, however, when it is too late, that Nature has abundantly provided for all the real necessities of their inhabitants; that religion either prevents the growth, or prohibits the gratification of artificial wants, and that a singular structure of society, which neither the lapse of time, nor the revolutions attendant upon conquest, have been able to disturb, interposes insuperable obstacles to that species of expensive consumption and gainful intercourse which usually follow upon the diffusion of wealth in other parts of the world. They will find that the natives of India are not inferior in cunning, and all the arts of imposition to those of Brazil, and that the agents whom they may send out to superintend their sales and purchases, will have infinitely greater difficulties to encounter than they had in South America, from their ignorance of the languages and manners of the people. They will soon begin to feel the same effects from having their capitals locked up in India, or vested in unsaleable commodities in this Country, which have been felt by those who speculated to Buenos Ayres, and inundated Gottenburgh, Heligoland, and Malta, with West Indian produce, for which no demand was to be found. And after acquiring a little wisdom by dear-

bought experience, they will perhaps acknowledge with Mr. Mawe, that it would have been better to leave the trade, as it is now carried on, to a Company of experienced merchants, who from an accurate acquaintance with the state of the markets, accommodate their transactions to the general consumption, than to turn it into a channel in which, through presumption, folly, and ignorance, it is likely to overwhelm the adventurers with a loss of four hundred per cent.

True it is, that this evil, like many others, has a tendency to correct itself in process of time. . But is the intermediate ruin of a multitude of individuals, and the general waste of capital which it must occasion, matter of no concern or anxiety? Is a total derangement of a valuable branch of commerce so slight a mischief that it is not worth the pains of avoiding? Is every thing that has been gained by the skill and enterprise of the East India Company to be wantonly put to hazard in order to indulge a taste for extravagant speculation? And is the Company itself, when if not in the zenith of its prosperity at least in a train of extrication from its difficulties, after all that it has suffered and achieved, to be sacrificed to unmeaning clamour, the authors of which would be the first victims to the success of their own claims? It is incredible, even in this infatuated age, that a Legislature, not more famed for vigour than for prudence of counsel, can be smitten with

such a degree of infatuation as to countenance, much more to sanction, a scheme so short-sighted and disastrous.

Reverting to the charges which are brought against the Company under the general head of abuses, it has been alleged both in and out of Parliament, 1st. that the Company have not fulfilled the agreement they made with the public in 1793, in virtue of which the public became entitled to a certain portion of the contingent profits derivable from their revenue and commerce, and on that account have forfeited all claim on the protection of the Legislature; 2dly. that their territorial revenues have been absorbed by a wasteful and losing trade; 3dly. that their frequent applications to Parliament of late years, whilst they furnish strong presumptive evidence of mismanagement have caused a serious addition to the burdens of the Country; and 4thly. that the Company is actually bankrupt, and ought to share the fate of other insolvent debtors.

The first objection, that the Company have failed in discharging the obligation imposed upon them by the act of 1793, of paying £500,000 annually to Government out of their profits, is founded upon an entire misconception or rather misrepresentation of the statute. Upon this subject, the Select Committee of the House of Commons in their Fourth Report

have furnished satisfactory explanations, which shall be given in their own words.

“ The sums stated to have been paid to Govern-
 “ ment in the years 1793-4 and 1794-5, amounting to
 “ £500,000, were two half-yearly payments, as pre-
 “ scribed by the act of 33d of the King, Cap. 52.
 “ Sect. 127. These payments standing alone, have
 “ led your Committee to inquire why the directions
 “ of the act have not been carried into effect in more
 “ instances.”*

The following is the result of the Committee's inquiries.

“ This stipulation was founded on an agreement
 “ between His Majesty's Government and the East
 “ India Company, that the public were eventually
 “ entitled to a certain portion of the profits ac-
 “ cruing to the Company from the prosperity
 “ of their revenue and commerce. According
 “ to the mode of calculation laid down in the
 “ act, this conditional participation should ac-
 “ crue only from the following sources, viz. from
 “ the surplus remaining of the nett proceeds of the
 “ sales of goods at home, from the duties and allow-

“ances arising by private trade, and from all other
 “profits of the Company in Great Britain, after pro-
 “viding for the payment of bills of exchange already
 “accepted; for the current payment of other debts,
 “interest, and other outgoings, charges, and ex-
 “penses (the bond debt computed in another part
 “of the clause at £1,500,000 always excepted); for
 “a dividend on the capital stock at 10 per cent. per
 “annum, increased to 10½; and lastly, for bills of
 “exchange in liquidation of the debt contracted in
 “India, to the extent of £500,000 per annum.
 “Provision having been made for these several pay-
 “ments, the annual sum payable to the public in the
 “way of participation, was fixed at £500,000, to
 “be set apart half-yearly, on the 1st July and the
 “1st January in each year, beginning with July,
 “1793. Provisions were likewise made in the act
 “to ensure punctuality in the payment of these sums
 “into His Majesty’s Exchequer; but it was enacted,
 “that in the event of a deficiency in the amount of
 “the proceeds (after making the payments to which
 “precedence was given) arising from extraordinary
 “expenses incurred in time of war or preparations
 “for war, or from circumstances incidental to war,
 “that the deficiency or deficiencies were not to be
 “made good from the surplus of the future year or
 “years, but were to be deemed a debt to be made
 “good to the public at the determination of the ex-
 “clusive trade of the Company, in case their general
 “assets should be more than sufficient for the pay-

“ ment of all their just debts, and for making good
 “ the value of the capital stock, rated at £200 for
 “ every £100 of such stock.

“ The payments shewn in the years 1793-4 and
 “ 1794-5, from having been made when a deficiency
 “ of funds for the purpose, according to the prin-
 “ ciple of participation laid down, is fully apparent,
 “ your Committee think it right to state to the
 “ House, that a reference to the 124th section will
 “ furnish an explanation of the transaction, by
 “ shewing that the payment was specifically directed
 “ to take place antecedent to the addition of the $\frac{1}{2}$
 “ per cent to the dividends of the capital stock, and
 “ that it must be considered to have been made from
 “ the balance of cash in the hands of the Com-
 “ pany, distinct from their nett proceeds of the
 “ year.

“ As to the sources from which the participation
 “ of the public was to be derived, namely the surplus
 “ proceeds, &c. as described in the beginning of the
 “ section, your Committee cannot avoid reverting
 “ to the estimates on which this arrangement was
 “ evidently founded, and again remarking, that the
 “ supply of a million annually from the surplus re-
 “ venue in India, as directed in the 107th section,
 “ must have been assumed as the basis of the expecta-
 “ tions then held out to the public, because it seems
 “ clear that the surplus proceeds in contemplation by

“ the 111th section of the enactment, were in reality
 “ the combined profit derived from revenue and
 “ commerce. And this conclusion is farther sup-
 “ ported by provision being made for failure of pay-
 “ ment in the event of a deficiency of surplus pro-
 “ ceeds, happening from war. As the deficiency
 “ which has, in fact, existed from the time of passing
 “ the act, is to be ascribed to the wars in India and
 “ Europe, no farther payment has been made to the
 “ public under the directions of the act, but your
 “ committee observing that in some years a surplus
 “ of funds is shewn in the account, notwithstanding
 “ the war (after making the payments for dividends,
 “ and on bills of exchange for Indian debt) have
 “ thought it necessary to ascertain and to state to
 “ the House, the causes why payment was not made
 “ on the participation of such years.

“ The payments stipulated by the act, consider-
 “ ably exceeded the funds in the first year from
 “ which such payments were to be made, conse-
 “ quently recourse was had to funds that could on no
 “ consideration be looked upon as profit, the only
 “ source from which the proceeds described could be
 “ derived. The excess of payment thus made, was
 “ supplied by moneys raised by the Company, either
 “ on new capital or on bond, in excess of the
 “ £1,500,000, to which that debt was then limited,
 “ and became a debt payable from the nett proceeds,
 “ taking priority of the public claim to participation.

“ The deficiency of funds for the liquidation of this
 “ claim is shewn by an account inserted in the ap-
 “ pendix.

“ From a variety of circumstances, therefore, but
 “ chiefly from those consequent upon war, the nett
 “ proceeds of the Company’s treasury in Great Bri-
 “ tain, have not been sufficient for the payment of
 “ the participation to the public according to the
 “ act, and with the exception of the sum of
 “ £500,000, paid in the manner above described, the
 “ whole has fallen in arrear, and become a debt due
 “ by the Company under the 122d section, subject,
 “ however, to the reservation contained in the act as
 “ to the liquidation of it, that is *in the event only of*
 “ *the Company’s general assets amounting in value to*
 “ *more than sufficient for the payment of all their just*
 “ *debts, and the realization of their capital stock.*”*

The second objection, that the territorial revenues of the Company have been absorbed by a wasteful and losing trade, is a favourite one with two descriptions of persons—the advocates of the political system which was acted upon in India during the administration of Marquis Wellesley, and the petitioners for a free trade. The former contend that all the expense incurred in wars, or consequent upon other

* 4th Report, page 448.

measures terminating in the aggrandizement of the British empire in India, has been much more than compensated by the revenue derivable from the conquered and ceded territories. The latter maintain that they can carry on the trade to much greater advantage than the Company; and, espousing the foregoing doctrine as convenient for their purposes, they likewise assert, that by exonerating the Company from a commerce unprofitable and ruinous as it is now conducted, and by leaving their attention exclusively directed to the administration of their territorial revenues, the surest foundation would be laid for the future prosperity of the Company.

It is altogether foreign to the intention of the writer to enter into political controversy. Lord Wellesley's system may deserve every panegyric which his warmest eulogists have ever passed upon it; and in some respects too much cannot be said in its praise. But those who argue as if the tendency and operation of his system had been defeated by the commercial mismanagement of the Company, however they may affect to extol, are, in truth, the greatest disparagers of that distinguished statesman.

The objection, with whatever view it has been brought forward, is effectually repelled by the reports of the select Committee of the House of Commons

and by other authentic documents. The Committee have stated in their 2d Report, that on a comparison with the estimates in 1793, the result of the actual accounts of the revenues and charges of India in 1808-9, was more unfavourable than the estimate, in the sum of £1,189,619, the estimate having calculated on a surplus revenue of £1,163,577, and the actual accounts of 1808-9, having exhibited a deficiency of £26,042. The difference is stated in a general way to have arisen as follows.

	Estimate 1793.	Actual Ac- counts, 1808-9.	Increase.
	£.	£.	£.
Revenues	6,962,635	15,525,055	8,561,430
Charges of Government .	5,188,125	13,151,224	7,963,099
Nett Revenue	1,775,500	2,373,831	598,331
Supplies to Bencoolen and } Penang, &c. }	50,000	158,208	108,208
Interest on the Debts. .	561,923	2,241,665	1,679,742
Total	611,923	2,399,873	1,788,950
Surplus Revenue	1,163,577		
Surplus Charge		26,042	
Deterioration as shewn above			£1,189,619

“ From this view it is ascertained that, although
 “ the revenues have increased in the sum of
 “ £8,561,430, the increase in the charges of

“ Government has been such as to absorb the whole
 “ except £598,331, and that the additional supplies
 “ to Bencoolen, &c., but, by far in the highest de-
 “ gree, the increase of the interest on the debts, have
 “ contributed to prevent the exhibition of a surplus
 “ revenue as by the estimate of the year 1793.”*

The disproportionate increase of charges, is imputed by the Committee, to additional naval and military establishments, required in consequence of the new acquisitions of territory, and likewise to stipends and payments to the native princes of India in fulfilment of treaties concluded between them and the Company.

To an exposition of the state of the Company's finances at home and abroad, submitted to the select Committee of the House of Commons, on the 1st of April, 1808, by the Court of Directors, an account was annexed, shewing the amount of the Indian revenues and charges, and of the surplus or deficit of the former, from 1793-4 to 1807-8 inclusive, together with the state of the Indian debt through the same space of time. From this account the following extract is made in the document referred to, for the purpose of illustrating the position, that though the revenues of India have greatly increased, the expenditure has risen in a still greater degree. For

in 1793, when the revenue was only eight millions per annum, there was a surplus of £1,600,000; while in 1807-8, the second year of peace, when the income had advanced to fifteen millions a year, there was a deficiency of £1,019,097.

	Revenues.	Charges.	Interest.	Surplus.	Deficit.	Amount of Debt.
	£.	£.	£.	£.	£.	£.
1793-4, First Year of the Company's new Charter	8,276,770	6,006,923	526,205	1,663,512	-	April, 1813, 7,271,666
1798-9	8,652,032	8,417,812	759,320	-	525,100	Do. 1798, 10,366,538
1802-3	13,164,537	11,043,100	1,577,922	843,507	-	Do. 1799, 12,411,303
1805-6	15,217,516	15,561,330	2,070,792	-	-	Do. 1803, 16,521,737
1807-8, per estimate	14,614,261	13,436,198	2,197,160	-	1,019,097	Do. 1806, 21,531,304
						Do. 1808, 31,225,000

“ The commercial charges and supplies to Bencoolen, &c. are not here included. The charges are the amount *paid* in the respective years, as stated in the Budget Accounts.

“ What is most obvious and striking in this statement, is the increase, not of the charges only, but also of the debt, as the revenues increased, and not merely in proportion to the increase of the revenues, for, whilst from the year 1793-4, to the year 1805-6, the amount of the revenues has not been quite doubled, that of the charges has been increased as five to two, and that of the debt nearly quadrupled, besides a very large sum of debt transferred in the course of that period to England. The greatest increase under all these heads, has been since the years 1798-9. The first foundation

of the debt was laid by the Mahratta war of 1778.
 “ The accumulation of that debt and of charges, may
 “ in most part be accounted for by the foreign expe-
 “ ditions undertaken from India at the desire of His
 “ Majesty’s Ministers, the two wars of Mysore, the
 “ two wars of 1803-4 and 5 with the Mahratta chiefs,
 “ and the permanent increase of military establish-
 “ ments occasioned by these events, and other political
 “ measures of the same period.”*

The select Committee of the House of Commons, for the express purpose of ascertaining whether any part of the unfavourable balance now existing against the Company upon the whole concern, is attributable to losses upon their trade with India, have endeavoured, as far as was practicable, in their third report, to separate the political from the commercial part of the Company’s affairs, by drawing out an adjusted account, exhibiting on one side the supplies by India to England, and on the other, the supplies from England to India, between the year 1792-3 and the year 1808-9, and thus striking the balance between the two. The following abstract of this account is given at the conclusion of the third report.†

* Exposition of the State of the Company’s Finances at Home and Abroad, ordered by the House of Commons to be printed, 22d May, 1810, page 6.

† Page 373.

Supply by India to England.

	£.	£.
Investments of goods	25,407,099	
Sundry advances for Bills, &c. re- payable in England	2,329,236	
	27,736,335	
Commercial Charges not added to } the Invoices	2,916,279	
Nett Amount of Supply to Canton .	3,313,654	33,966,265
Advances and Charges in India, admitted as } Claims upon the Public, and paid in England } by His Majesty's Government		8,212,372
Total supply by India to England		42,178,640

Supply from England to India.

	£.	£.
In Goods and Stores—the total } amount of the Consignments as } credited in the Indian Books	11,554,218	
In Bullion, as Do.	7,360,752	
By Bills of Exchange	14,746,038	
Sundry Receipts for which England } is credited	393,372	
Total credited to England in } the Indian Books	34,054,380	
Add	£.	
Disbursements of His Ma- jesty's Paymasters Gene- ral on account of regi- ments serving in India, 1793 to 1807	2,638,988	
Victualling Office Demands	80,024	
Interest allowed on repay- ments by Government	841,900	
	3,560,912	
Charges paid in England, supposed to be territorial	6,193,049	
	9,753,961	
Total return by England to India		43,808,341

From which, deducting the supply by India, }
stated above, the balance will appear in favour } £1,629,701
of England, in the sum of

which is the amount in which, upon the principles now acted upon,

The select Committee, in their Fourth Report,* have stated, that the Company's nett profit upon the whole of their trade, between 1792-3, and 1808-9, abroad, and between 1793-4, and 1809-10, at home, has exceeded by £2,164,533 the amount required to defray the expenses and losses immediately incident to it, and to pay the dividends on the capital stock with the interest on the bonds, although the total prime cost of the goods lost by the Company from shipwreck, in 1808, and 1809, amounted to £886,168, and the total cost and computed profit of these goods to £1,202,638.† It is clear, therefore, from these statements—1st, That so far from the revenues of India having been absorbed by the commerce of the Company, they have actually drawn from it the sum of £1,629,701,——and 2dly, That a surplus profit upon the whole trade of the Company, to the amount of £2,164,533, has been applied to the relief of their general finances.

The 3d objection, that the frequent applications made by the Company of late years to Parliament for pecuniary aid, have caused a serious addition to the burdens of the country, requires attention to the political events which have occasioned the Com-

* Page 454.

† Supplement to the Exposition of the state of the Company's Finances, ordered by the House of Commons to be printed, 22d May 1810.

pany's embarrassments, as well as to the circumstances under which their several applications for relief have been preferred.

The whole of the Company's financial difficulties are to be ascribed to the almost unceasing course of hostilities, which for twenty years has raged in Europe, and to the frequent wars which the Company has, during the same period, carried on in India.

The increased expense incurred by the Company in time of war, under the head of freight and demurrage alone, amounts to about £600,000, annually; and during the whole period of their charter, it may be estimated at twelve millions sterling.

The rise in the rate of wages in England, consequent on taxation, and other causes, has greatly enhanced the price in the home market, of every article which the Company exports; and as the sale prices abroad have not advanced in any proportionate degree, a corresponding reduction on the profits of their exports has arisen, which has not by any means been compensated by the prices they have received for their imports.

Besides these inconveniences which they have felt in common with the nation at large (inconveniences

however under the pressure of which other merchants have repeatedly sought and obtained parliamentary relief), the Company have had to struggle with difficulties and hardships peculiar to them as a body.

The effects of long protracted warfare are manifest in the prodigiously enlarged scale of their military expenditure. In 1793, the military charges of India, including buildings and fortifications, were estimated at £3,035,375. The actual military charges in 1798-9, including buildings and fortifications, amounted to £7,639,791, shewing an increase, beyond the estimate, of £4,624,416*. The number of King's troops which the Company were bound by act of Parliament to pay and maintain for the defence of their Indian possessions, was 10,727, the annual expense of which would have been about £485,000. Since the year 1798, the extent of that force which forms the most expensive part of their military establishment, has been gradually increased; and in 1810, the number of King's troops in India amounted to 21,763. The increase of expense consequent on this augmentation of force, in the twelve years, from 1799, to 1810, has been £3,958,850, exclusive of the expense of horses for His Majesty's cavalry, stores supplied to all the regiments, and other contingencies, which if included would

* Second Report of the Select Committee, page 38.

raise the total excess of charge in India, probably to £4,500,000. And if Indian interest were charged on the annual excess of expense, it would make a total of £6,200,000.

At home, the charges of the Pay-office against the Company are necessarily swelled by the excess in the numbers of His Majesty's troops in India, allowed by the acts of 1788 and 1791. Those acts provided for one regiment of dragoons, and nine regiments of infantry, the expense of which, as charged in the Pay-office accounts, was about £75,000 per annum; or for 18 years, £1,350,000. The difference between this and the sum actually charged, exceeds two millions sterling, without interest.

The Company have been also charged with the expense of a recruiting company at home, though the recruits so raised are often sent not to India, but to other quarters; and in several instances the pay of Colonels of regiments employed at home, or on the continent, have been charged to the East India Company.*

It has always happened, that when Great Britain has been involved in European war, its effects have been felt in India. Even when no Euro-

* Printed Papers, page 127.

pean enemy appeared in the field, either to threaten the security of the Company's territory, or to dispute the predominance of their power, their resources have uniformly been applied under the authority and direction of His Majesty's Government, to frustrate schemes from which danger was apprehended to the general interests of the empire, and to undertake conquests, which though important in a national view, were certainly not worth to the Company the expense incurred in their acquisition. Wars growing out of our Indian system, particularly since the period when ambition seems to have obtained an ascendancy over prudence in our councils, the territorial revenues of India are perhaps inadequate to provide for; but it would be altogether extravagant to expect that they can be equal to support European wars, for general and national objects, or a struggle between Great Britain and France, on the soil of India, for the maintenance of power in Europe.* It is well known, however, that in the course both of the last and the present war, the Company have not only had to contend against France and her allies on the Continent of India, but that expeditions have been

* Letter from the Chairman and Deputy, to the Right Hon. Robert Dundas, dated 16th September, 1808. Printed Papers, page 9.

fitted out by the Company against the French, the Dutch, and the Spanish possessions in the Indian Archipelago, and that a large force was sent from India to the Red Sea, which assisted in the expulsion of the French from Egypt. And it is equally true, though not perhaps so well known, that the Company have been only partially indemnified for the cost of enterprises, undertaken by the express command of His Majesty's Government, and for objects as decidedly national, as if they had been directed against Martinique, Curaçoa, Trinidad, or the^b Coast of the Mediterranean. Though the Moluccas were restored to the Dutch at the Peace of Amiens, the Company were allowed only half the expense of their capture. The same rate of indemnification was adopted in regard to Ceylon, notwithstanding that it has been made a King's settlement. And from the expense incurred by the Company, in the Egyptian expedition, the nett ordinary pay of the troops employed was deducted in the indemnity awarded them, though the place of the native troops was immediately supplied by new levies in India. Nay, two of His Majesty's regiments of infantry, which had formed part of the expedition, returned from Egypt to Europe at the termination of the campaign, clearly shewing that they had not been sent out for the defence of India.

The still unliquidated claim of the Company upon the public for these services is,

For Ceylon, 1796-7 to 1801	-	£1,205,656
Eastern Islands, 1795-6 to 1805-6		1,321,859
Egyptian Expedition, 1798-9 to 1802-3		120,000
Total		<u>£2,647,515</u>

with the interest since accumulated upon that sum.*

The extra expense recently incurred in the capture and on account of supplies to the Mauritius and Java, amounts to,

Mauritius	-	-	-	£2,127,672
Java	-	-	-	1,502,411
Together				<u>£3,630,083</u>

The natural, and indeed the necessary consequence of war expenditure has been the same in India as in Europe. According to the adjusted statements in the Reports of the Select Committee of the House of Commons, the Company's debt, which in 1792 did not amount to eight millions, had grown in 1808 to near twenty-nine millions sterling, in spite of every effort on the part of the Court of Directors, not only to check its increase, but also to accomplish its reduction.—Of these endeavours, the Select Committee have

* Third Report, Appendix, No. 17, page 396.

expressed themselves in terms of just commendation in their Third Report.*

“ The anxiety with which the increase of the
 “ debt in India has been contemplated by the autho-
 “ rities at home, is strongly evinced by a Letter ad-
 “ dressed to the Chairman, and Deputy Chairman of
 “ the Court of Directors, by a late President of the
 “ Board of Commissioners, for the affairs of India,
 “ when quitting that department in 1801, which is
 “ already upon the Table of the House. The sug-
 “ gestions contained in it were not neglected by his
 “ successor; and in the next year, exertions were
 “ made to carry into effect a part of what was re-
 “ commended in that document. The general prin-
 “ ciple of the measures (which were apparently con-
 “ fined to the space of two years), was to accomplish a
 “ more rapid liquidation of the principal of the Indian
 “ debt, than could be effected by the existing ar-
 “ rangements. The proposed plan being brought to
 “ maturity, a communication of it was made to the
 “ Bengal Government, by a letter, dated 1st June,
 “ 1803, with orders for carrying it into execution.
 “ This document will likewise be found in the Ap-
 “ pendix; and the amount of the exports of goods
 “ and of bullion in the years 1803-4 and 5, will prove
 “ that every effort was made to ensure the success of

“ the measure. The accumulation of the Indian
 “ debt, however, which appears in subsequent years,
 “ shews its entire failure. The cause of this your
 “ Committee attribute to the war with the Mahratta
 “ Chieftains, which broke out in the very year in
 “ which the plan commenced, and did not finally
 “ close till April, 1805.”

From the 1st March, 1803, to the 1st March, 1806, the Company's supplies to India and China exceeded the amount sent in the three years immediately preceding, in the sum of £2,712,526, and the amount of their receipts for the sale of goods, from the 1st March, 1803, to the 1st March, 1806, fell short of the receipts in the three years immediately preceding, in the sum of £3,268,671.* These facts, which are to be accounted for from the absorption not only of the revenues of India, but of the home supplies by the Mahratta war, sufficiently evince the anxiety felt by the Company for the liquidation of their Indian debt, and at the same time shew, that besides the disappointment of a favourite hope, they experienced an unprecedented failure in an usual source of income from a political measure, in which they were no ways implicated, and of which they always disapproved.

* Exposition of the East India Company's Finances, ordered by the House of Commons to be printed, 2d March, 1810, pages 3 and 4.

The extinction of the surplus revenue of India from which a million sterling annually ought to have been appropriated to the purpose of commercial investment, was not the only baneful effect produced by the increase of the debt. The terms on which the loans in India were contracted for of late years, have tended to transfer the burden of the debt from the territories abroad to the Company's funds at home.

Of old, the principal and interest of the sums borrowed were payable only in India, and consequently the pressure of the debt fell chiefly upon the Indian treasuries. But in the course of the ten years, from 1798 to 1808, the loans were made with an option to the lenders, of demanding bills upon England, for the interest, half yearly, of their subscriptions, and also for repayment of the principal at the periods when the loans became redeemable, which were usually at the expiration of ten years, from the dates of the contracts. A general reduction in the rate of Indian interest, from 10 and 8 to 6 per cent., operated as an inducement to the Company's creditors to avail themselves of the option of receiving payment in England, and bills for a sum exceeding thirteen millions sterling, have been drawn by the Governments in India upon the Company's treasury in London, between the 1st May, 1807, and the 3d February, 1812, on account of the interest and capital of the Indian debt, exclusive of the sums that have been re-invested at home in the Company's

securities. This transfer of debt, though it must from the reduction in the rate of interest, have produced an important improvement in the general concerns of the Company, has also caused a severe pressure upon their finances in England, and is in fact the source of all their late embarrassments. When the Government of this Country borrows money to supply the public exigencies, the interest only is to be provided for, as they are never called upon for repayment of the capital. But the Company by the conditions of their Indian loans, have been obliged to provide for the discharge both of capital and interest and that too in England, where there are no funds properly applicable to the liquidation of their territorial debt. Hence the necessity of their applications to Parliament of late years for relief.

Let us trace the amount of pecuniary assistance which they have at different times obtained, and the grounds on which it has been voted.

In 1805, when the Company's difficulties first began to press upon them, they applied to Parliament for payment of a large balance, amounting to £5,570,336, due to them from Government on account of advances for the public service in India. The account having been referred to a select Committee of the House of Commons, they reported, that after dividing the charges of the capture &c. of Ceylon, and the Eastern Islands, equally between

the public and the Company, deducting the ordinary expenses of the troops employed in Egypt, from the gross charges of the expedition, and taking credit for the whole amount of charge against the Company, by His Majesty's military Pay Office, many articles of which the Committee allowed to be objectionable, there was a clear balance owing to the Company of £2,300,000. Of this sum one million was paid to the Company on account in 1805, and another million in the following year.

By the Act of 37th of the King, cap. 3, the Company were permitted to add two millions to their capital stock, a power of which they have never chosen to avail themselves; because this addition to their capital could hardly have failed to depress the value of their stock in the market, and because the dividends which they must have paid to the new proprietors would have borne a much greater proportion to the sum raised by subscription, than the legal rate of interest bore to the same sum, if borrowed on loan, or raised in another way. Accordingly an act was passed in 1807,* to enable them to borrow two millions upon bonds, by which means they got over their difficulties in that year.

In 1808, the Company submitted to Parliament

* 47th George III. cap. 41.

an exposition of their finances at home and abroad, and solicited payment of a sum of £2,460,000, due to them from the public. This document was referred to a select Committee of the House of Commons, who reported, that they found £1,500,019, unquestionably owing to the Company, a doubtful balance being still left open for discussion. The Committee at the same time stated, that they would have been disposed to recommend a more liberal allowance to the Company, had they not conceived themselves restrained by the principles laid down by the preceding Committee in 1805; principles however against which the Company have always protested. In consequence of this report, £1,500,000 was paid to the Company under the authority of Parliament.

In April, 1810, the Company presented to the House of Commons a supplement to their financial exposition of 1808, in which they stated the embarrassments to which they were subjected by the continued remittances of the capital of the optional India debt, and petitioned for a temporary assistance by loan. They shewed satisfactorily, that though their disposable funds were inadequate to meet the great and sudden demand on their home treasury, their property in convertible assets afforded ample security for any advance that might be made them; and on this representation Government were authorized by the act of the 50th George III. cap. 114, to

issue Exchequer Bills to the amount of £1,500,000, for the use of the East India Company. By this assistance the Company's home finances were relieved for 1810. Government since that time have not only been reimbursed by the Company, in advances for the public service in India, for the above issue of Exchequer Bills, but there is a clear balance in favour of the Company (exclusive of former disputed claims), on the general account between them and Government, as made out on the 14th May, 1812, to the amount of £1,597,483, the Company taking credit on the one side for £3,630,083, expended upon the Mauritius and Java, and credit being given on the other for the sum received in Exchequer Bills.

The transfer of the debt from India to Europe having still gone on in rapid progression in the course of the last three years, and Parliament being convinced, that the operation with whatever temporary inconvenience it might be attended, would be permanently beneficial in its effects, passed an act in 1811,* authorizing the Company to make a further issue of bonds to an amount not exceeding two millions, which with the two millions issued in 1807, have produced about half a million more than the

* 51 George III. cap. 64.

two millions which they were empowered to add to their capital, in virtue of the act of 37th George III. cap. 3.

It being found that when the Company issue bonds to a very large amount, they are returned in payment of the goods purchased at their sales, it was deemed advisable last session of Parliament (1812), that two millions and a half should be borrowed by Government for the use of the East India Company on the same terms for which the loan was made for the public, and a clause has been introduced into the act,* binding the Company not only to provide out of their own funds for the interest of their part of the loan, but to set apart the sum of £111,820, annually, for the gradual liquidation of the principal.

In the course of the present session (1813), a further sum will still be wanted to enable the Company to meet the unprecedented demand on their home treasury, in consequence of the bills drawn upon them from India, which in the last five years, as was already stated, have amounted to the enormous sum of thirteen millions sterling. But as the utmost probable extent of these demands is now ascertained, it is to be hoped that the Company's finances (should war in India not intervene to disappoint the expectation), will be amply sufficient not only to meet the future exi-

* 52d. George III. Cap. 135.

gences of their government, but fully to discharge whatever they owe to the nation.

From the foregoing statements it appears, that the money voted to the Company by Parliament in 1805 and 1806, was in payment of an admitted debt due to them from the public. The four millions which in 1807 and 1811, the Company were empowered to raise by bonds, was in lieu of the two millions which they had the option under the 37th of the King, of adding to their capital stock. The assistance they received in 1808, was in liquidation of a debt then acknowledged to be owing to them from the public. The Exchequer bills, issued for their use in 1811, have been since repaid by advances for the public service. The only debt, therefore, which the Company now owe *to the nation* is the loan of two millions and a half borrowed in 1812; and supposing two millions and a half more to be wanted in 1813, their total debt to the public will be five millions. For the payment of the interest, and the gradual liquidation of the principal of one-half of this debt, provision has been already made, and the same provision will probably be extended to the other half when contracted. The necessity for this aid by loan might, however, have been prevented by an act of justice on the part of Government to the Company.

The unliquidated claims of the Company upon Government are,

Total estimated Excess of Disbursements on Account of His Majesty's Troops employed in India, beyond the Provisions of the Act of Parliament	- - - - -	£6,200,000
Half the Expense of Ceylon and the Moluccas, and Balance on the Egyptian Expedition remaining Unpaid	- - - - -	2,647,515
Balance in favour of the Company upon their Account with Government, as made up on the 14th May, 1812	-	1,597,483
Total Claims		<hr/> £10,444,998 <hr/>

The payment of this debt by Government would more than enable the Company to reduce their bond debt to the sum of £1,500,000, as provided by the act of 1793, and to pay off the loan borrowed from the public in the present year, besides relieving them from the necessity of having further recourse to Parliament for assistance; and till this is done, instead of the public having ground of complaint against the Company, the Company have good reason to murmur that grievances unredressed are aggravated by unfounded accusations.

Upon the whole—In reference to *the past*, it would be unjust towards the Company, not to bear in mind

that the success with which their commercial affairs have been conducted, is fully established in the reports of the select Committee of the House of Commons; that all their financial embarrassments are attributable to the political branch of the concern; and that the political measures out of which their difficulties have arisen, have been wholly adopted by the direction, and executed under the superintendence of His Majesty's Government. The politics of India, ever since the institution of the Board of Commissioners, have been considered as a branch of the general politics of the empire, and all the Company's resources, whether territorial or commercial, have been devoted to uphold the national interests to the constant injury of their trade. There has been no contrariety in the direction of measures, whatever differences of opinion may have occurred in discussion. The only apparent separation of interest has been in the settlements of accounts between the Company and the public, and in these adjustments the alacrity which the Company have at all times manifested to second the views of His Majesty's Government, as well as the uniform and brilliant success with which their operations have been accompanied, entitled their claims, at least for indemnity, to a more liberal consideration than they have sometimes met with.

With a view to *the future*, it is of essential concern to the Company,

1st.—That the number of King's troops to be maintained in India shall be definitively fixed, and that the Company shall have an indisputable claim upon His Majesty's Government for whatever expense may be incurred in consequence of any excess in their stipulated amount.

2dly. —That a principle shall be agreed upon, and regulations laid down for the adjustment of accounts between Government and the Company.

3dly.—That some mode of keeping the Company's accounts shall be devised, by which their political and commercial concerns may be preserved distinct, instead of being, as at present, inseparably interwoven.

And, 4thly.—That a system of economy be maturely concerted, and rigidly enforced upon the several Governments in India, for the purpose of checking profuse expenditure, and of retrieving the Company's finances from the embarrassments in which they are now involved.

The last of these suggestions, though obviously the most important, will not be the least difficult in the execution. There has scarcely been a single despatch sent out to India for years past, in which attention to economy has not been strongly inculcated upon the Governments abroad, and retrenchments to a consi-

derable extent have actually been carried into effect in several branches of the service. A great clamour has been raised against the Company both here and in India, on this very account, so that they are placed in the singular predicament of having at once to encounter the obloquy attendant upon their financial embarrassments, and censure for the means they have employed, with a view to remove this subject of complaint. Private considerations, however, must give way to public expediency, and farther reforms must be projected and executed with a firmness and energy proportioned to the magnitude of the obstacles by which they are opposed. The vast extension of the Company's territories has necessarily occasioned a large increase in their establishments, both civil and military. The exhausted and dilapidated state of most of the conquered and ceded districts, requires great moderation in the demands of Government, with a view to the ultimate improvement of their resources. The internal disorders consequent upon war and rapine require vigour to repress, as well as time to heal. A display both of strength and of vigilance is necessary to overawe the lurking sentiments of jealousy and discontent, which have been powerfully excited by our success in the minds of the native Chieftains, and which are always ready to break out in acts of resistance or invasion. Those Europeans too who separate themselves from their country and connexions, and devote the best portion of their lives to dangerous and laborious duties in an

unhealthy climate, have a claim to liberality on the part of their employers, which it would be equally unfeeling to overlook and senseless to disappoint. Still it must not be forgotten, that India now yields an annual revenue of more than fifteen millions and a half sterling, that the territories have been relieved from an immense load of debt, that a large saving must accrue from the reduction of the rate of interest upon the remainder, and that it is incumbent upon the local authorities to appropriate every rupee that can be spared from the necessary expenditure, to the extinction of those burdens by which the Company at home are so heavily oppressed.

In order to expose the futility of the fourth objection, viz. that the Company are bankrupts, and that they ought to share the fate of other insolvent debtors, it is only necessary to take a general view of the actual state of their affairs both abroad and at home, as exhibited in the last account of their stock, by computation, on the 1st March, 1812. A similar account is drawn up annually to the 1st March, and has been usually moved for in Parliament, as affording the most accurate and comprehensive information that could be furnished, of the state of the whole concern at the several periods when the accounts have been prepared.

Stock per Computation on the 1st of March, 1812. D^r

To bonds bearing interest	£	6,565,900
To ditto not bearing interest		15,417
To bills of exchange unpaid from India		4,238,582
To ditto China		43,596
To custom and excise of goods sold, and customs on goods unsold		935,315
To the Bank for a loan on mortgage of the annuities that may be sold per act of 1788	}	700,000
To ditto for a loan on bond		100,000
To freight and demurrage		10,336
To supra cargoes commission on all goods sold and unsold		162,300
To proprietors of private trade on all goods sold		663,000
To almshouses at Poplar		61,742
To owing for exports of former seasons		124,967
To ditto . . . to the warehouse and other contingent funds		12,993
To warrants passed the Court unpaid		34,500
To owing for teas returned by the buyers and resold		974
To interest on bonds		107,394
To dividend on stock		63,922
To paid by the adven- turers, being	{ 87½ per cent. on £3,200,000	£2,800,000
To additional capital sold ditto	{ 155 300,000	1,240,000
To ditto ditto 174 1,000,000		1,740,000
To ditto ditto 200 1,000,000		2,000,000
	£ 6,000,000	7,780,000

To balance of quick stock against the Company at Bengal, made up to }
30th April, 1811 } 17,555,318

£ 39,211,078

The sum of £960,000, stated to be due from Government, is the balance remaining after the last payment on account of the Company's claims in the year 1808, and does not contain any disbursement on account of Government, in consequence of the late expenditure, made by the Company for expeditions from India to the Islands of Mauritius, &c. nor does it include any extra charge incurred on account of the excess of King's troops employed in India beyond the parliamentary limit.

Stock per Computation on the 1st of March, 1812. C^r

By due from Government to the Company	£ 1,207,560
By cash its balance on the 1st of March, 1812	995,394
By the amount of goods sold not paid for	1,096,390
By the Honourable Board of Ordnance for saltpetre	10,998
By the value of goods in England unsold	4,800,141
By balance of quick stocks in favour of the Company at Fort St. George, made up to 30th April, 1811	5,537,366
By balance of quick stocks in favour of the Company at Bombay, made up to 30th April, 1811	2,003,134
By balance of quick stocks in favour of the Company at Fort Marlborough, made up to 30th April, 1811	286,914
By balance of quick stocks in favour of the Company at Prince of Wales's Island, made up to 30th April, 1811	233,026
By balance of last books at St. Helena, made up to 30th September, 1810,	170,187
By balance of quick stocks in favour of the Company at Canton, made up to March, 1811	995,160
By balance of quick stocks in favour of the Company at the Cape of Good Hope, made up to 31st August, 1811	45,649
By cargoes from England not arrived in India and China, at the dates of the several quick stocks	1,876,372
By exports paid for, exclusive of bullion season, 1811-12	1,283,926
By impress and war allowances paid owners of ships not arrived in England	665,048
By the value of ships, sloops, and vessels, exclusive of those stationed abroad	70,020
By the value of East India House and warehouses	1,138,000
By the Company paid for their dead stock in India	400,000
By due from Government for stores and supplies to His Majesty's troops	960,000
By ditto on account of hemp from India	120,800
By owing from sundry persons returned from India and in India, to be repaid in England	19,714
	23,922,011
Balance against	15,289,06
	£ 39,211,07

MEMORANDUM:—

In the above account the article of dead stock is valued at £400,000, which includes buildings and fortifications, plate, household furniture, plantations, farms, sloops, vessels, stores, and other articles of dead stock, according to Lord Godolphin's award in the year 1702, whereas the whole of the sums of money expended in buildings and fortifications, by the last advices from the Company's several settlements, for the acquisition and maintenance of their possessions, and the nearest estimated value of other articles of dead stock, is as follows:

	Buildings and Fortifications.	Plate, Household Furniture, Plantations, Farms, Sloops, Vessels, Stores, &c.	TOTAL.
At Bengal	£ 5,079,150	£ 1,483,015	£ 6,562,165
— Fort St. George & sub.	1,887,313	461,209	2,351,522
— Bombay and ditto	1,102,586	345,690	1,448,276
— Fort Marlborough	244,810	66,889	311,699
— St. Helena	43,856	98,905	142,761
	8,470,511	9,495,709	£ 10,816,423

The balance against the Company. by the foregoing account is £15,289,065. This balance, however, is more apparent than real, as will be manifest from the following observations.

In the first place, on the debtor side of the account, is included (contrary to usual custom) the capital advanced by the proprietors, amounting to £7,780,000. This cannot properly be considered as a debt, because it has not created a liability of demand. Its extinction (supposing it to be extinguished) can only be esteemed a loss sustained by the subscribers—a misfortune from which they alone are the sufferers. Deducting therefore the sum of £7,780,000 subscribed by the adventurers, from the unfavourable balance as above stated, that balance will be reduced to £7,509,065.

2. Credit is only taken for £400,000, on account of what has been paid for dead stock in India, amounting, as per memorandum, to £10,816,423. As a considerable part of the latter sum must have been laid out on perishable articles, many of which are greatly deteriorated, and some not now in existence, it would be extravagant to claim credit for the whole amount of the expenditure. It is obvious, however, that the valuation put upon the property denominated Dead Stock in 1702, can bear but a very small proportion to its actual value, and the subsequent increase (whatever it is) ought to be set down in deduc-

tion of the unfavourable balance against the Company on the general account.

3. Credit is only taken for sums due from Government to the Company to the amount (as per 1st and 19th items of the account) of £2,167,560, whereas it has been already shewn, that the sum actually due, or at least for which the Company have a fair claim to reimbursement, amounted on the 14th May, 1812, to £10,444,998.

4. Whatever difference of opinion may exist as to the Company's right to the sovereignty of those territories which have been acquired in India by conquest and treaties, nothing is more just than that not only the territorial debt as it now stands should accompany the territorial sovereignty, but that whatever sum the territory has borrowed from the trade, should be repaid in the event of a separation of interests. The balance of clear profit in favour of the Company's Commerce, is reported by the Select Committee of the House of Commons to have amounted between 1793-4 to 1809-10, to £2,164,533, which sum has been expended in supplies to the political concern; and were the two branches of the concern henceforth to be conducted under different auspices, a final adjustment of accounts must take place between them, in which case the sum above stated would constitute a claim on the part of the trade against the territory. The Company would also

have a claim upon Government for the losses they have sustained by supplies of hemp, and by the excess of saltpetre furnished to the Board of Ordnance, beyond the quantity stipulated in the original agreement.

5. The only privilege now enjoyed by the Company, which is determinable at the expiration of their Charter, is that of carrying on the *exclusive* trade to and from India and China, and other places beyond the Cape of Good Hope. Supposing the renewal of this privilege to be refused, the Company cannot be bereaved of their perpetual right, as a body corporate, to trade with India and China upon a joint stock, in common with the rest of their fellow subjects. Supposing, also, that the territories which have been acquired in India by conquest and treaty, with the debt contracted in their acquisition, were assumed by the Crown, the Company have large estates in India, their titles to which are as indefeasible as any that money can purchase, or the most legitimate occupancy has ever established, and which could not therefore be legally comprehended in this assumption. Of this description are the town of Calcutta and the twenty-four Purgunnahs—Madras and its Jaghire—the five northern Circars—the islands of Bombay and St. Helena—Cuddalore, Penang, and Bencoolen, and all the forts and factories held by the Company under original grants from the native Princes in India. Of these possessions the Company

cannot be deprived without an equivalent compensation, unless the British Parliament, forsaking the common principles of justice, shall choose by an arbitrary proceeding to invade the rights of property, which have uniformly been respected in its past decisions. The estates, as enumerated, ought therefore to be admitted in the schedule of the Company's disposable assets.

6. When it is considered that the whole unfavourable balance against the Company upon the general account (including their capital stock) falls short of one year's revenue of their Indian territories, the state of the concern instead of being desperate, may be held forth with exultation as exhibiting an instance of successful enterprise unparalleled either in ancient or modern times.

To those who are not disposed to acknowledge the extension, internal improvement, and additional security of the Indian empire, to be a sufficient compensation for the sacrifices by which these objects have been attained, the following extract from the conclusion of the fourth report of the Select Committee of the House of Commons, will present a different and perhaps more consolatory view of the subject.*

“ Your Committee having referred in their third
 “ report to considerations that seemed, in their
 “ judgment, to offer some counterbalance to the
 “ sacrifices of funds which had been made, conceive
 “ it unnecessary to introduce any additional remarks
 “ on this head ; but after calling to the recollection
 “ of the House, that the observations hitherto made
 “ on these extensive and complicated transac-
 “ tions, and on the result of them, have applied
 “ exclusively to the interests of the East India
 “ Company, your Committee will proceed to submit
 “ their view of them in their bearing on the general
 “ interests of the British Empire, which they trust is
 “ such as to lead to results much more gratifying
 “ than those which have been exhibited in reference
 “ to the separate affairs of the Company. The in-
 “ voice value of goods and stores exported by
 “ the East India Company to India, China,
 “ and St. Helena, between 1791-2 and 1807-8 was
 “ £29,244,227 ; deducting the amount lost and cap-
 “ tured, £28,791,967. There was exported in bul-
 “ lion in the same period £9,434,042. The total
 “ export from England, supposed to have arrived
 “ between 1792-3 and 1808-9, was, therefore,
 “ £38,226,009. The returns made by India and
 “ China in consignments of goods amounted to
 “ £50,754,400. The charges upon these goods,
 “ not added to the invoices, may be stated at
 “ £2,916,279, which will carry the amount of the
 “ returns to the sum of £53,670,679, exclusive of

“ £1,371,788 lost and captured. On which view
 “ it will appear that England received in property
 “ from India and China, more than was sent, to the
 “ amount of £15,444,670; but the result arising out
 “ of the transactions of the East India Company
 “ alone is susceptible of a very considerable addition,
 “ if the means existed of examining with equal accu-
 “ racy the exports and imports in privilege and
 “ private trade. The amount of the exports it is not
 “ practicable at all to ascertain; neither can the
 “ value of the imports be shewn, otherwise than by
 “ a general computation governed by the proportion
 “ between the prime cost and the sale amount of the
 “ Company’s goods. The sale amount of the privi-
 “ lege and private trade and neutral property was
 “ £37,794,857, the prime cost of which may be
 “ calculated at £20,700,000. How far the pur-
 “ chase of these goods was made by exports from
 “ England, it is not possible to state; but no doubt
 “ exists of the purchase of them in this manner hav-
 “ ing been very considerably below the amount of
 “ the prime cost now stated. Whatever the amount
 “ of the exports may have been, the difference be-
 “ tween that and the sum of £20,700,000 is so
 “ much in addition to the result above shewn, which
 “ would be still further enhanced by the remittance
 “ of fortunes known to have been made in a variety
 “ of shapes, from India to England, through extra-
 “ neous and circuitous channels, to an amount

“ which there is no possibility of tracing with accu-
 “ racy.

“ If the means were attainable of shewing the
 “ result upon accurate calculations, the advantages
 “ derived to the British Empire would appear to a
 “ very large amount. The same difficulty, however,
 “ does not obstruct a statement of the accession
 “ accruing to the general circulation, and the bene-
 “ fits derived from it both to India and England. In
 “ India the industry of the subject has been encou-
 “ raged and assisted by the employment of forty-
 “ six millions sterling, or on the annual average
 “ £2,700,000 in the provision of investments for
 “ England.

“ The produce and manufactures of India pur-
 “ chased by this sum, combined with those of China
 “ sold in England, realized in sale amount to the
 “ extent of nearly one hundred and forty-one mil-
 “ lions sterling, or more than eight millions per
 “ annum. The general distribution and circulation
 “ arising out of this trade may be stated to have
 “ been,

“ In the purchase of the produce and ma- “ nufactures of England	£29,200,000
“ In the employment of British shipping	25,000,000
“ In the payment of bills of exchange	24,500,000

“ In the purchase of bullion, the import	
“ of which may be supposed to have	£
“ been in payment for British produce	9,400,000
“ In disbursements for home charges	11,600,000
“ In dividends to proprietors of capital	
“ stock and interest in bonds	12,500,000

“ The sale of private goods and neutral property
 “ amounted to nearly £37,800,000. Of this sum
 “ about four millions may be supposed to be in-
 “ cluded above. If an adjustment could be made of
 “ the remainder, amounting to £33,800,000, the
 “ distribution of it could be precisely defined.

“ It has appeared that the duties on imports, col-
 “ lected through the Company, and realized at a
 “ very trivial expense to Government, amounted to
 “ £39,300,000, and on exports to £660,000 ; toge-
 “ ther £39,960,000.

“ The combination of these several sums, producing
 “ £185,960,000, shews, that on the average of the
 “ last seventeen years, £10,900,000 per annum has
 “ been diffused in various channels through the whole
 “ circulation of the British empire. By this its
 “ manufactures have been supported, encouraged,
 “ and improved; its shipping has been increased,
 “ its revenues augmented, its commerce extended,

“ its agriculture promoted, and its power and resources invigorated and upheld.”

Such are the advantages which the new Parliament will be solicited by the East India Company to secure to the Country, under a continuance of the existing system, and which it will be importuned by other classes to hazard in favour of one of the wildest schemes that ever entered into the head of man, through “ the ivory gate of dreams.” Sir Francis Bacon has well observed, “ It is not good to try experiments in States, except the necessity be urgent, or the utility be evident ; and well to beware that it be reformation that draweth on the change, and not the desire of change that pretendeth the reformation ; and, lastly, that the novelty, though it be not rejected, yet be held for suspect, and as the scripture saith—*That we make a stand upon the ancient way, and then look about us, and discover what is the straight and right way, and so to walk in it.*”*

“ The science of constructing a Commonwealth,” says another illustrious author, “ or renovating it, or reforming it, is like every other experimental science, not to be taught *a priori* ; nor is it a short experience that can instruct in that practical

“ science, because the real effects of moral causes
 “ are not always immediate, but that which in the
 “ first instance is prejudicial, may be excellent in
 “ its remoter operation; and its excellence may arise
 “ even from the ill effects it produces in the begin-
 “ ning. The reverse also happens; and plausible
 “ schemes with very pleasing commencements have
 “ often shameful and lamentable conclusions. In
 “ States there are some obscure and almost latent
 “ causes, things which appear at first view of little
 “ moment, on which a very great part of their
 “ prosperity or adversity may most essentially de-
 “ pend. The science of Government, therefore,
 “ being so practical in itself, and intended for such
 “ practical purposes, a matter which requires expe-
 “ rience, and even more experience than any person
 “ can gain in his whole life, however sagacious and
 “ observing he may be, it is with infinite caution
 “ that any man ought to venture upon pulling down
 “ an edifice which has answered in any tolerable
 “ degree for ages the practical purposes of society,
 “ or upon building it up again without having mo-
 “ dels and patterns of approved utility before his
 “ eyes.”*

The East India Company has answered in an emi-
 nent degree the ends of its establishment, and what-

ever may be the theoretical objections to which its constitution is liable, it has contributed more to the wealth, prosperity, and power of Great Britain, and done more to advance her fame in the opinion of the world, than ever was achieved by any even of her most favourite institutions. It is to be hoped that it is not destined by its fall to perpetuate the ingratitude, rashness, and folly of the times, without even gracing the Country with a noble ruin. Like the celebrated statue which, so long as it adorned the harbour of Rhodes, was accounted one of the wonders of the world, but which, when broken down, served only to load twelve hundred asses with fragments of old brass, the Colossus of the Company is magnificent in form, and imposing in dimensions, but if demolished, its disjointed material, will be found of little value to those whose efforts are now directed to its overthrow.

FINIS

THE
R I G H T
OF EVERY
BRITISH MERCHANT
TO TRADE WITHIN
THE GEOGRAPHICAL LIMITS
DEFINED BY THE CHARTER OF THE
EAST INDIA COMPANY,
P E N D I C A T E D ;

WITH
IMPORTANT, AUTHENTIC, AND HITHERTO UNPUBLISHED
DOCUMENTS,

PECULIARLY APPLICABLE TO THE QUESTION OF A
MODIFIED OPEN TRADE TO CHINA,
UNCONTROLLED BY THE COMPANY'S
AGENTS, FACTORS, OR SERVANTS.

AND

*affording a satisfactory Reason why the Tonnage to that Country
assigned by Parliament has not been occupied.*

By **THOMAS LEE.**

All which, though at the time of their first grant they were tolerable, and perhaps reasonable, yet are now most unreasonable and inconvenient."

Spencer's State of Ireland, p. 1537. edit. 1706.

L O N D O N :

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ADVERTISEMENT.

MUCH of what, in the ensuing pages, relates to personal transactions, originally came before the Author in his professional character. At the period they were first submitted to him for legal consideration, the private injury, great as it appeared to be, afforded no proper subject for public appeal; but now, when the renewal of the East India Company's monopoly is under consideration, it has been thought, a communication of any facts so peculiarly bearing on that question might, in the public estimation, be deemed useful, and they are therefore committed to the press.

Since the following sheets were printed, the Author has seen a copy of the Petition of James Oliver, Esq. late a Colonel in the service of the East India Company; from whence it would appear, that gentleman has been dismissed the Company's service on allegations of personal and interested interference in the private trade: but Mr. Oliver complains that this dismissal was unwarranted, since the accusation itself was wholly false; and that the Company acted upon a report of their servants in India a copy of which they have refused the petitioner. On this, and on many other grounds stated in the petition, Mr. Oliver prays the interposition of the Honourable House in respect of the matters complained of.

Whatever may be the real merits of this particular case, for the Author knows nothing of it beyond what the petition discloses, it may seem from the grievances therein alleged, that some independent mean of summary investigation

of the facts of such cases might be advantageously established ·
e. g. were an officer similar in functions to those of a British Consul, to be appointed by the Crown and to reside at each of the Company's factories, the interests likely to be affected by the result of such summary investigation, that is to say, those of the Company and the merchant, would be reciprocally protected.

It is not improbable but that Mr. Oliver may have been dismissed on *ex parte* representations of interested parties: a case similar in principle, that is, where the Company have allowed themselves to act upon the representations of their own commercial servants, no very clean-handed accusers, is mentioned, pa. 30 of the ensuing sheets.

The Author may observe, that had he seen the general subject, agitated upon the broad argument and upon those exclusive and important facts, which he imagines are now, as to the facts at least, for the first time submitted to public consideration, he would have been well content to have remained silent. And although strong animadversions are occasionally made on transactions with which certain individuals must necessarily be identified, yet no individual is named: if, therefore, the facts stated to have existed have not existed, no one can take such statement to himself; and if they be true, the Author may incur blame rather for hesitating to name the delinquents, than for forwardness to endeavour to awaken legislative inquiry on this great question. He may be permitted to add, that he is above rendering himself a vehicle for imputations he disbelieves; and equally above suppressing, from personal considerations, any truth, by the disclosure or investigation of which so great an argument as that contained in the title-page may be illustrated or enforced.

RIGHT, &c.



If the general question of a monopoly of a foreign trade, as applicable to British subjects, were now to be agitated for the first time, it would not be easy to find principles upon which, in the present state of commercial ability, a trading intercourse with any part of the habitable world should be limited exclusively to any one body of men. The integrity, intelligence, capital, spirit, and énergy, which individuals may possess, seem to be the only natural or just bounds of such an intercourse ; and nothing short of expediency the most justifiable, or of necessity the most urgent, may well be allowed to charter the existence of a system different from that which, in the course of things, thus appears to be both natural and just.

When British commerce was in its infancy, disposable capital wanting, and intellectual energy dormant, or otherwise directed, it is

be successfully applied to the attainment of any very extensive commercial object; and, therefore, those who were desirous of embarking in remote, and consequently very hazardous speculations, would naturally combine their means, in order the more securely to accomplish their ends. This may be imagined to have been the short and conclusive argument upon which what are called chartered rights were originally solicited at the hand of Government. There is indeed a physical strength in concentrated power, whether it be intellectual or mechanical; and so long as energy, combined or individual, to whatsoever object it may be directed, continues to be exerted for the general welfare, so long may it be worthy of public sanction and support; and probably this is, or ought to be, the true touchstone of every institution around which society may have thrown an exclusive guard. It is not to be supposed but that the Government, in granting a charter which in its operation was to restrain the participation of alleged commercial advantages to a certain number of qualified individuals only, must have been convinced, that, although those advantages were to be thus limited, great benefits were eventually to accrue by such limitation to the whole community. It would also be apparent, that, unless the operation of many but defined restraints were unceasing, the projected advantages would be wholly lost to the public. To suppose that men in power are only influenced by considerations bearing an imme-

mediate reference to the public good, is in common charity ; but without casting upon present chartered or incorporated bodies the obloquy that would arise, by a broad statement of the venal and disgraceful means by which the rays of Government were so collected as to shine for them only, the question may be asked, Wherefore is the East India Company become entitled to demand of the present British Government a renewal of a monopoly, by the existence of which the energies and capabilities of the most stupenduous commercial public, recorded in the world's annals, is, as to India and China, to be limited, repressed, or extinguished ? It is too late, it is said, to discuss this great question upon first principles, or upon those at length discovered to be worthy being acknowledged first principles ; and it may be true, that the good and the evil of the monopoly, as it exists, are almost morally, it may seem that they are almost physically united with each other since it may also be true, that all the evil cannot be extirpated without loosening and endangering the existence of very extensive good. The gross materials cast up fortuitously, and they have been sorted and put together with so little judgment, and cemented with so little skill, that the standing of the fabric is of doubtful advantage, and its destruction certain injury.

The public opinion has long ago and often been expressed on the question of the general policy of the charter, and it has been viewed in every light that it might suit the vision of the philosopher,

statesman, or merchant to place it in * ; but it may be useful shortly to attempt to obviate some pretensions to a claim of public respect for their chartered rights, which are rather unfoundedly made on the part of the Company.

There is probably a present acquiescence in the opinion, that every thing of good would not be derived to the community, were the Government of His Majesty to be substituted for that of the East India Company, and by this substitution the trade to India, opened to every British subject, no otherwise restrained than subjects generally are restrained in their intercourse with any other dependency of that Government. Yet the principles of modification of the chartered rights of the Company may admit of very considerable relaxation, and that too as to points, and under

* It is singular to trace these words in No. V. Papers respecting the negotiation for the renewal of the East India Company's exclusive privileges :

“ In this case it will be unnecessary to enter into any discussion of the right of the Company to the territorial possessions, a right which they hold to be clear, and must always maintain, as flowing from their acquisition of those territories under due authority, and after long hazards and vicissitudes, and great expence.”

From this language it would appear that the renewal of the charter were conceived to be mere matter of form ; not that the chartered rights of the Company were to cease with their charter. Their territory is nothing different from any other property held for a term of years, and of which the Sovereign, is to be considered as the grantor, or as the paramount and liege lord, and true and only owner of the soil. Every charter, or renewal of the charter, it will be recollected, makes recognition of this sovereignty.

circumstances, upon which it is said modification is to be denied. Upon commercial questions, and indeed upon every question, commercial or not, abstract reasoning, as it is called, however speculatively useful, is always of doubtful authority; but to mercantile, more than other men, facts whereon to form their judgment must be submitted, and reasoning unsupported or uncorroborated by facts in their view takes its proper character of specious sophistry.

Upon the most impartial view of the facts and arguments existing and adduced upon the mere policy of the general question of renewal of this great charter of exclusion, this position may, it is presumed be advanced beyond even plausible contradiction,—that the East India Company, in their chartered character, have not conferred a greater benefit upon India, or upon the British public, than His Majesty's Government would have conferred on both had no such charter existed; and it may also be asserted, that the evil through which good has been ostensibly attained under the government of the Company, controuled as that government has been from time to time, and with no gentle hand, by the Legislature, appears to have been incommensurable both in enormity and extent.

Their vaunted jurisprudence has been imposed upon them by the Legislature, in consequence of public and private wrongs reverberated from one end of their territorial possessions to the other;—their residents and other official men have been wrought into a seeming recognition of the principles of justice, by the dread of impeachment,

or of exposure ; of impeachment which, if it failed to punish by a judicial sentence, yet might become an often well-earned punishment, by its expence, duration, and disgrace : of an exposure which might consign these men on their return to their native country, to the glooms of solitude ; to neglect ; to remorse ; or, finally, to despair : for what honourable or well-charactered mind could brook association with the venal judge, or with the rapacious oppressor ; with him who, hunted out of one country where his crimes were known, might yet possess audacity enough to attempt to push himself into notoriety in another, where his criminality was only guessed at or rumoured.

With regard to the treatment of delinquents in India, Mr. Pitt, when what is called his India Bill was under discussion, declared that we had it not in our power to punish them ;—that either a new process must be instituted, or offences *equally shocking to humanity, and contrary to every principle of religion and justice, must be permitted to continue unchecked* : every person, therefore, Mr. Pitt added, who went thereafter, would know the predicament in which he stood. Comes it gracefully, therefore, from the Company to allege, in their resolutions of the 5th May last, which may be called a manifesto against the interference of His Majesty's Government, that by that interference “ the excellent system of civil and military service, framed *under* the Company, and maintainable only *by* such a body, will be broken down ; the tranquillity and happiness of the vast population which that empire contains, and the interests of this

country in Asia and its constitution at home, will be imminently endangered."

There is something in this manifesto very indecent, very deceptive, or very forgetful. If the urgent necessity for Mr. Pitt's act, and for the institution of the Board of Controul, were not in our immediate recollection, we might be led to imagine, from the assumptions of these resolutions, that the excellent judicial establishments in India entirely and originally emanated from the Company, instead of their having been forced on the adoption of that body by the Legislature.

But no matter, if a wise and impartial administration of justice in India now take place, how so great and radical a change was effected: wherefore it has at length been thought good, that something more than a name and shadow of justice should now be found, is less matter for enquiry, than that justice being to be found in India is matter of lively congratulation. There is a period at which a Government may acquire the salutary knowledge,—that to govern well is the way to govern long; and with the impression upon the mind, that the Government in British India is highly beneficial to the subject there, it cannot rationally be contended, that the annihilation of the Company is necessary, or that so decided a measure would be attended with commensurate utility. Fortunate is the Company! happy are the inhabitants of its territorial possessions! that a wise and impartial administration of justice, and that a spirit of useful regulation in the internal economy in India, have resulted from their ostensible sovereignty there.

Let the local history of the people which now obeys their rule be referred to, and let the simple fact be impressed on our recollection, that the Indian peasant, heretofore exposed to the unmitigated cruelty and never-sated rapacity of every man who called himself his rajah, his conqueror, or his chief; of every man invested with the character of a Company's agent, officer, or resident; is now protected in the enjoyment of life, liberty, and property, under the ostensible rule of the East India Company,—but really and substantially under the controlling power, and through salutary interference of the British Legislature: with willing homage History will assign unwithering honour to a Government, who, to fill the benches of jurisprudence, sought out men of the most exalted talent, of the most enlarged acquirements, and of the most untainted integrity.

It may be observed, that if Sir William Jones and Sir James M'Intosh were chosen to fill the seats of supreme justice in their respective provinces, those who chose them must have looked into the seeds of time; they must have been competent to say, that good grain would grow, and they must gratefully have anticipated that bad would not spring up to choak it. The political principles of these able judges were known: Sir William Jones had written a supposed libel on Government, which a Reverend Churchman had published, and for doing so was ineffectually prosecuted. The freedom and ability with which Sir James M'Intosh had, indeed sanguinely, discussed and even excused the French Revolution,

were equally public ; yet to these men was administration of justice in British India most honourably and wisely confided.

India, it should be remembered, is ground on which the local government had been watched ; it is here, on Indian ground, that there were found men willing to track the ravages of the plunderer and the footsteps of the assassin ; to caution the unwary against the insidious net, and to attempt to shield the weak from the violence of the strong. All were not eager to be distinguished only for the commission of some enormity or other,—the suggestion of avarice, or the perpetration of cruelty. Some there were, whose eyes were not shut to speculation which they did not share, and whose hearts commiserated the criminality by which no benefit to them resulted. The machinery in India itself was too vast and too complicated to be worked or adjusted only by bad agents : in the commingled race, and in the order of nature, some better spirit would be found ; and as the movements of the machinery became more numerous, the chances of slumbering virtue and humanity being aroused and awakened, were multiplied ; the public delinquent was cramped, or at large in the execution of his prædatory plans, in proportion as his power was limited within a less or a greater circle : what could be designed or accomplished at Calcutta with the assistance only of a few chosen participators, would be liable to be defeated where many might become acquainted with the secret, and who, from their numbers, must,

necessarily, “ be overlooked in the division of the spoil;” and, paradoxical as the assumption may appear, it was perhaps because the empire in India had become so extended, that the government in India has at length ceased to be distinguished by barefaced and frequent flagitiousness. *Eo crevit ut magnitudine sua laboret.* Could the policy of that government have remained impenetrably shrouded behind the Ionic columns of Leaden-hall-street, or have been circumscribed by the immediate lines that surround its Eastern Presidencies, long ere this the only monument of the British name traceable in India would be an execrable remembrance, alike stupendous and immortal; for in the defedating and rapacious talons of the Company, it was truly said, with relation to that country, that there was nothing before the eyes of the natives but an endless prospect of new flights of birds of prey and passage, with appetites continually renewing for a food that was constantly wasting. Of such miscreants might the miserable inhabitants have exclaimed—

————— *foedissima ventris*
Proluvies uncarque manus et pallida semper
Ora fame.
Diripiuntque dapes contactuque omnia foedant
Inmundo : tum vox tetrum dira inter odorem.

And that, winging their flight to Europe,

————— *vestigia foeda relinquunt.*

The mere commercial question may now be resumed. It will be useful that the reader divest the discussion of the sophistry and whining intricacies in which it has been attempted to be involved, and

at once to meet the facts of the question. It seems, that a trade to India, but not to China, is at length under certain limitations, to be opened to the British public ; that is to say, it seems that, provided the British commercial public will find capital, the East India Company will find management ; and will also accept a large revenue, in the shape of duties, on a trade which, if they had capital, which they have not, the East India Company would carry on. This seems to be the present state of the question. Their right to ask these duties has been conceded to them upon the presumption, possibly, that, but for their exclusive government and management under their charter, India and its dependencies would not have presented, as it now presents, a safe and secure mart for every legitimate commercial object. The question of duty, perhaps, more immediately concerns the consumer ; but whatever proposed measure calls for a greater capital to be embarked in the prosecution of a particular trade than, unless such measure be adopted, would be necessary to carry it on, such measure also may claim the merchants consideration, and parliament will of course provide that the duties be limited by other motives than those which the temporary interest, or the caprice of the Company may, from time to time, suggest. It is not to be doubted but that, with relation to the duties, some just and permanent principle of limitation of their amount and object, will be established.

The letter of the chairs, dated 13th January, 1809, to the Right Honorable Robert Dundas (now

Lord Melville,) No. VIII. papers, &c. seems to treat the question upon the general grounds both of right and expediency. It presents however the phænomenan of men expressing an earnest desire exclusively to circumscribe a trade already ruinous, or not worth pursuing, by every fence that monopoly can desire to place around it; and by, scarcely sincerely, deprecating the ruin of competitors in that very trade *.

“ The trade is a losing one, and therefore we wish to retain it wholly to ourselves. If you embark in it as a competitor against us, we shall experience the mortification of beholding the ruin of a rival, and in order to prevent your possessing this barren field of commercial speculation, for cultivate it you cannot, since it will admit of no cultivation, we will that it be shut up, or that a few strays only be allowed to feed on the bents.”

This is the sum and substance of the commercial part of the letter of the chairs of the 13th January, 1809, and on a closer view of its contents, and of those which follow, and are to be considered twist of the same length, it will be

* The shameful and almost ridiculous echo of that part of this letter of the chairs of the 13th January, 1809, contained in some London resolutions, lately advertised, respecting the propriety of restraining any extension of the Indian or China trade to the port of London, will, no doubt, have its due weight with the Legislature.

The facts disclosed by these resolutions, very unwittingly indeed, on the part of those who let them out, almost compel ministers to exert the whole force of Government to extend as much as possible the benefit shewn to have been derived, and now so warmly contended for by the port of London.

seen that such a farrago of cant and commerce surely never before met the public eye.

If a certain and yet envied portion of that commerce be ruinous, or unprofitable to those who are already embarked, or who desire to embark in it, why wish to circumscribe it by charter? If it be that destructive speculation here so much at length it is attempted to be shewn to be, is not that sufficient charter? Needs ruin a charter! but why are the Company to set themselves up as witnesses and judges upon this great question? in the way of argument they have not yet convinced the great commercial body of the British Empire, who are justly clamorous for participation in the chances of good and evil; as witnesses of the facts, the Company adduce they cannot for one moment be attended to otherwise than to be utterly discredited. The inference intended to be drawn from the assertion, that Cromwell, after the experience of a few years of open trade, revived the Company, is as ill warranted as its inapplication to present times must be known to those who wish that inference to be made. That fact proves no more than is set down for it to prove, namely, that the competition was not successful. The causes why it was unsuccessful need not be enquired at this time of day. Because Sir Hugh Middleton failed, and that other projectors have been ruined, the schemes they embarked in or projected according to this mode of reasoning ought never to have been revived or continued. The New River Company ought

not to have existed, or that Company for supplying London with water ought only to have existed; and not a colony in America, or elsewhere, would now have being, since every one of these great schemes of such infinite utility to mankind, almost without exception were ruinous to those who first embarked in them.

Besides, what is the comparative state of commercial knowledge in all its bearings now and then? Wherefore is the conduct of Cromwell holden up to the present Government? is it meant as an example to be adopted in every question of public policy? Certainly not. The British trade to India, at the periods of its unsuccessful efforts alluded to by the Company, had not only to compete with a rival monopoly at home, but also with powerful rivals abroad, to whom foreign states had lent the means and countenance the most formidable and effectual in their power to grant or afford. In the present æra no rival state capable of forcing or excluding a well-judged employment of British capital in Indian commerce exists. But, admitting that the facts and arguments adduced by the Company, are believed by them properly to bear upon the question, and that they are really convinced of their force and application, does it follow that the Company's conviction, whatever it may be, is also to be the conviction of the whole commercial mind of the British Empire? Uninfluenced now by official obsequiousness, if they are honest men, the chairs must blush outright when they re-peruse the wordy arrogance of their fuming reasoning;

if they reason not from their conviction, but prank their false rules in reason's garb, the British merchants will, one and all, strip these budge doctors of commerce, deprive them of their theatrical stuffing, and shew to the world their lean and lank pretensions to any rational credence for sound fundamental knowledge upon trading questions, or for sincerity in vouching their opinions upon topics connected with them.

Lord Melville, however, does not seem to be a convert to these their axioms. His Lordship doubts many of them, has not allowed his mind to be settled as to others, and some he utterly rejects; but in Lord Melville's reply to this fraternal persuasive there is one sentence which is worth attending to, since it shews the very pith of their reasoning, if that be pith which is nothing, adopted by the chairs in this their letter. His Lordships says, "A considerable portion of their reasoning would lead to the inference as a general proposition applicable to ALL cases of foreign and distant trade, that a monopoly was more beneficial to both countries than an unrestrained commerce.

The old, stale, and, in a public point of view, the most offensive argument, as to the effects of competition, is resorted to by the chairs in these words, "If the Indian trade were thrown open, ships would at first, no doubt, swarm into it, and there would be a ruinous competition in the markets both abroad and at home. Goods would be enhanced in cost there as well as deteriorated in quality; the selling price at home, already too low, reduced still lower, and the market over

stocked." But these *gratis dicta* are exploded for every purpose but that of the chairs, who seem unable to estimate or comprehend the probable effects of competition upon the ultimate interests of the body they represent ; which interests are, that the Company should be identified with their commercial or manufacturing subjects in India.

The Company will unwillingly admit Dr. Smith as their teacher, but the public will not hesitate to decide between them. This great commercial writer, when, on the same occasion, viz. that of renewal, the same question was agitated, and the same argument, almost in terms adopted long ago by the Company, observed, " That by a more plentiful supply, to the great advantage and conveniency of the public, it must have reduced very much the price of Indian goods in the English market cannot well be doubted ; but that it should have raised very much their price in the Indian markets, seems not very probable, as all the extraordinary demand which that competition would occasion must have been but a drop of water in the immense ocean of Indian commerce. The increase of demand, though in the beginning it, may sometimes raise the price of goods, never fail to lower it in the long run. It encourages production, and thereby increases the competition of the producers, who, in order to undersell one another, have recourse to new divisions of labour, and new improvements of art, which might never have otherwise been thought of. The miserable effects of which the Company commended, were the cheapness of consumption,

“ and the encouragement given to production precisely the two effects which it is the business of political economy to promote.”

The argumentative weapon of these gentlemen, therefore, is calculated, like a Polish lance, to pierce two or three at one thrust, the Indian manufacturer, the British merchant and consumer, and the individual resorting to the English depot of Indian commodities.

Upon the whole, however, of this correspondence, in addition to what has already been observed, it seems that two most important points may remain to be discussed, although the discussion as to one of them is understood to be irrevocably though unaccountably closed. The two points are, 1st, As to the obligation, absolute or virtual, to be imposed upon the merchant to transact his business in India, through the agency of persons under the immediate local influence or controul of the Company's commercial officers there; and, 2d, As to the still closer monopoly of the China trade being continued to the East India Company. There is indeed a third but minor point insisted on, not only by the Company, but by certain merchants, ship-owners, &c. residents in London, viz. that whatever else shall be the modification, imports from India and China ought not to be allowed to be made into the out-ports. This has been alluded to in a former note; but parliament has not yet lent itself to promote the interests of London only.

From the nature of the facts presently to be disclosed to the public, or to which its recollection

is purposed to be recalled, it will be apparent that the profit, to be derived to the public from the supposed concessions, will be less in substance than the shadow of a shade, a mere frothy bubbling of benefit; filling the eye indeed, but neither slaking thirst, sating appetite, or gratifying taste.

If the merchants be compelled to confide their adventures to the Company's agents, servants, or factors, what they are, how secure the merchants property will be, how unsullied by them his reputation will remain; whether even his life will remain unattempted, may justly be doubted; especially if those charges strongly implicating these officers, freely circulated in China and India, be well founded: and the doubt is increased, if what is as freely said here shall be proved, as it is alleged it is capable of proof, before a competent tribunal. Yet these agents, factors, and servants, who have used the Company's name and franchise to accomplish their own private views and speculations, or have cast it before them as a protection from the personal consequences of their numerous frauds and oppressions, are the men to whom it is a boon, a conceded boon, to be allowed to trust?*

The Company, in its corporate capacity, is neither, directly or indirectly, charged with present or past participation in the foul acts practised by

* For a flagrant instance in which the servants of the Company used its name to further a trade in which, contrary to the terms of their appointment, they were embarked, see Billing's Voyage edited by Sauer; Cadell and Davies, 1802.

men in these characters; it is its want of preventive checks to detect, or, if detecting them, it is the imbecility to punish these men which is now arraigned; a want and imbecility, which the mercantile interest of these kingdoms emphatically calls upon the British Legislature to provide against, lest it should be found that admission to a less restrained trade, as proposed, shall be utterly wanting in every character of permanent benefit; and only pregnant to the merchant with the ruin of his *Indian* speculations so well naturedly predicted by the letter of the Chairs of the 13th of January, 1809, to attend them.

Upon the quantum and due collection of duty, the interference of the Company ought to rest. If they be, or are to be considered as mediate or immediate territorial Sovereigns, let them exercise the function of Sovereigns, and as territorial Sovereigns only, holding their fiefs, however, by the homage due to their paramount lord the King. Let not their interference in the commercial concerns of others be a hybrid sort of king-brokering; let their sovereignty cease with appointing their collector of customs, and let not the Company be allowed to set snares for the purpose of entangling the free British merchant, removed, as he will necessarily or virtually be, from every means of obtaining summary justice for the perpetrations and delinquencies of these their agents, factors, and servants, or of persons immediately under the controul of the Company's commercial officers resident upon the spot. Upon precisely

the pretences alledged by the Company for the commercial transactions of the British merchants being subjected to the local interference of agents nominated by itself, or by persons under the immediate controul of the Company, or its commercial officers, might the British Government compel every British trader to make his consignments, to pass his accounts, and pay his balances into the hands of commercial officers appointed by that Government, and whom that Government might, at its pleasure, consign on board an outward-bound vessel for New Holland.

The mention of regulations of this description sounds ridiculously in an European ear, accustomed only to the useful fiscal regulations of an independent state ; but when it shall be known that the experiment has actually been tried ; when it shall be found that British merchants, under the sanction and recommendation of Ministers, and by and under the licence of the Company, embarked in a most extensive but particular trade ; that agreeably to the terms upon which that recommendation was given, and that licence granted, the ample proceeds of the adventure were entrusted to agents, factors, and servants, appointed by the Company, and whose fidelity the Company guaranteed to such merchants so embarking in that trade under such recommendation and licence ; and when it shall be known that these agents, factors, and servants, forgetting their obligation as servants, and their character as agents, and altogether the conditions upon which they had

derived their appointments as officers of the Company, became themselves COMPETITORS in the same trade with those very merchants; that they appropriated to their own use and benefit, to a very large amount, the proceeds of the cargoes collected by these merchants; then will the pretensions of the Company still to claim a right to insist upon this interference of *their* local agents, or of persons immediately under the controul of their agents, be as ill founded, as is their power effectually to guarantee the good faith of those agents inefficient. The foregoing language, strong as it is, in imputing to the agents of the Company, or to those under their controul, whom British merchants have already been *compelled* by the Company to trust, implies a fulness of delinquency which, unless it were believed to have existed, it would be worse than calumny even to surmise.

Whether there be grounds for believing that agents of the Company, have abused their trust, and have violated the confidence reposed in them; whether they have betrayed those interests, and intercepted those views which, as servants of the Company, and as trustees of the merchants, they were pledged to promote, further, and extend, are certainly questions that concern the British merchant to ask, and also the Legislature to investigate. That specific charges have been made in the affirmative of these questions is now matter of judicial record. That the directors of the East India Company were apprized of the reports circulated respecting misconduct of their factors, agents, and

servants; and that they were so apprized by a man, whose noble, pure, and spotless mind, revolted at public officers omitting or violating their public duty, is also matter of record; and it is only to be expected it can be rendered equally clear that, on such communication being made, decided measures for the prevention of future breaches of the trusts to have been thereafter confided to the execution of their officers were adopted, and also that the directors facilitated the means of compelling their officers to disgorge the gains derived by them through their deviations from the terms and conditions of such trusts.

From the publication of an account of the voyages of Captains Portlock and Dixon, and from the war in which the British Government had nearly been involved on account of the Spanish outrage upon British subjects and property, at Nootka Sound, on the north-west coast of America, the public will recollect an adventure of considerable magnitude, undertaken with a view to realize those prospects the voyages of Captain Cook were fondly imagined to have opened to the commercial world.

This adventure could not have been embarked in without obtaining licences from the South Sea and from the East India Companies.

By the terms of the licence granted by the East India Company, it appears that the controul over the ships employed, and over the cargoes collected in the prosecution of the adventure, was vested absolutely in the agents, factors, and ser-

vants of the Company at Canton; such controul to be exercised by them in the same manner, and with the same authority, as that vested in and exercised by them over the regular ships and cargoes of the East India Company direct from Europe. Some of the material clauses of one of these licences are inserted, Appendix, No. I.

In fact, not only the British merchants in Europe may complain that the Company's licences were mere netting to be cast upon the commercial bank by the merchant, and that the contents of the sein, when hauled, were to be gathered by the Company's agents, factors, and servants only; but even free merchants in India, and trading there, coast or otherwise, under local regulations, may also on the same grounds complain, and have alike fruitlessly, it is feared, complained. They too were alike compelled to trust to the local agency of the Company's commercial officers; and were alike sufferers from such agency. The important documents, marked Nos. II. and III. Appendix, sufficiently delineate the character of a Company's commercial officer now proposed to be forced on the trust and confidence of the British merchant. These authentic, but hitherto secluded documents, speak for themselves, confirm all that has hitherto been expressed or implied, and allow ample room for conjecturing how truly imputations of conduct the most reprehensible might be made. These letters of the Noble Marquis are moreover so decidedly conclusive of the argument of the present pamphlet, that its pages might well be closed with their in-

sertion. It hence appears, that the Noble Marquis thought a liberal and unshackled treatment of those embarked in the India private trade, to be ever identified with the Company's welfare.

But it will be recollected that it has been said, that fraud and speculation existed in India exactly in proportion as the circle of action was confined or extended. Now the British private trade to China is a confined circle, within which, as it appears by these documents, fraud and speculation were, and still are, as it is said, rampant. That they have been practised with the most absolute impunity; that any preventive checks adopted by the Company have been useless and inefficient, is, it is to be apprehended, but too true; and that the Company have been lulled into a belief that the heavy charges contained in the letters of Lord Cornwallis were ill-founded, may, in due time, and when necessary, be made evident; that the evil principle of such a conduct on the part of presumed confidential officers of the Company yet exists, may be more than suspected. The British Legislature, probably, will feel itself bound strictly to inquire into the nature and constitution of the East India Company's present establishment at Canton, and thus the British public will be enabled to estimate whether it be an establishment with which a British merchant can with confidence connect himself, under any limitations to be prescribed as heretofore, or less restricted by the Company's licences; or whether the Company possess, or would willingly exert, the power or the

means of enforcing the observance of a faith and integrity, which, upon the face of the above letters of Lord Cornwallis, have been so egregiously violated there with respect to themselves. The servant that will rob the master will hardly spare his guests; and if the master be himself defenceless, what defence that he can make for them may his guests securely rely on?

In any commercial transaction to be embarked in by British merchants, within the geographical limits of the Company, it may be assumed that the local servants of the Company, entering, as has been seen, into competition with the British merchants trading to India, will not be bounded in their conduct by a sense of duty only. The charges contained in the letters of Lord Cornwallis were attempted to be answered by official reports and other documents, transmitted by the implicated parties; these will be found in their proper place in the books of the Company, and more particularly in the consultation book of the President and Select Committee at Canton, 1787-8; and yet the specific charges contained in those letters are true in substance and in fact, as will be made appear, provided the denial of interested parties shall not be taken to be evidence of the truth of such denial. On the part of the Company, therefore, it cannot be justly insisted that the licensed British merchant be compelled to confide in that local interference of servants, or of persons under the presumed immediate controul of those servants, by whom even the Company are thus, by these important letters, to be

presumed to have been foiled, baffled, cheated, and circumvented. It is true, as has been mentioned, that some of the servants of the Company, supposed to be alluded to in the letters of Lord Cornwallis, have been reported to be guiltless; but these gentlemen are well conscious that this their absolution from guilt is no confirmation of their innocence: and nothing but a free and authoritative inquiry, as to whether the imputation of their using the sub-agency of Mr. Cox, contained in those letters, is groundless or not, can absolve them.

There is good reason to believe that this sub-agency was advantageously used by these gentlemen long before Mr. Cox was ordered by the Directors to be sent home in irons, and long after he returned to China; having, it is said, been enabled to return thither through the management of the Company's servants at Canton, who gave him letters of credit on their agent in London; which agent supplied him with £6000. With this sum, the individual who had returned to Europe a disgraced Englishman, was enabled to revisit China a triumphant Swede; and thus enabled to defy the imperial mandates of the Company, he resumed his sub-agency, to the great advantage of those with whom he had been, previously to his departure thence, connected.

These facts are not irrelevant to the general or particular question, since they so decidedly lay bare the poor and miserable impotency of the Company to restrain those plans and machinations of its servants, which not only defeat the interests of the

licensed British merchant, but also render utterly abortive those of the Company itself, as so justly complained of by Lord Cornwallis. Something more of the nature of this agency may be gathered from what is stated to be a fact.

A gentleman, now in England, and very highly allied, but at the period of Lord Cornwallis's letters, one of the Company's servants at Canton, has, it is said, been induced, innocently no doubt, to declare an account delivered by one of these agents to be so correct, that "a more clear or just account could never have been made." Yet this very "clear and just account," which made a loss of 20,000 dollars, has, it is said, been falsified, by its being shewn, that, instead of a loss of 20,000 dollars, there was an actual profit of 30,000; thus making the trifling difference of 50,000 dollars, in an account of no very great magnitude now under judicial discussion.

It is perfectly justifiable, therefore, to have stated, that if the British merchant be compelled to confide his concerns to the local agency of the Company's commercial servants, or to those under their immediate controul, it is questionable how far the rights of property will be observed by them; and as to this question, more need not be adduced as a ground for parliamentary inquiry, if not for present public accusation, than the signal letters of Lord Cornwallis above inserted, and the facts, or well-presumed facts, also just specified.

Such inquiry will, of course, not unaptly

be directed to an investigation of the particular facts upon which Marquis Cornwallis's letters to Mr. Browne were written, copies of which, with the reasons for writing them, were no doubt transmitted by his Lordship to the Court of Directors here; they were so transmitted, and parties and persons found it necessary to attempt to excuse themselves. They returned to England; the transactions were, however, continued; they ceased, indeed, to be immediate and personal actors, but the secret firm remained undivided and unbroken. It will no doubt further be inquired, what succeeding measures were adopted by the Court of Directors, by way of example for past, or of prevention for future misconduct; and it may also be inquired, what answer was returned to his Lordship's letters; and the inquiry may also be directed as to what grounds exist for a belief that such measures have been effectual or not.

It has also been stated, that the factors, agents, and servants, of the Company, so to be trusted by the British merchant, may be little scrupulous of the means they adopt for sullyng the reputation of those whom they know have reason to complain of their agency. On this head, some preliminary observations may be made.

It appears that the views and speculations of several of those merchants, who, upon the faith of the Company's licences, had been induced to originate, and consequently to embark very largely in private trade, have been thoroughly defeated, whilst Russians and Americans, embarking in the

same line of trade, and pursuing the same objects of commerce, and under less advantageous circumstances than those under which British merchants might have been supposed to have embarked, have been gainers to the amount of many millions. It is said, that, by the single article of furs, collected on the north-west coast of America, and thence carried direct to China, the Americans only, since the year 1790, have derived a net profit of several millions: yet the British merchants, or those who first opened and established this very trade, and who, under the Sovereign, might have owned and colonized the whole of what is comprised in the general term of the north-west coast of America, *i. e.* from the Straits of Juan de Fuca to those of Bheering, or the extreme north-western part of America, were so crossed, thwarted, and counteracted, through the active efforts of the Company's local agency at Canton, and through that only, that they were at length necessitated to abandon the trade, and give it up, without participation, to the unprincipled competition of the Company's officers. These officers, it may be supposed, would not fail to turn the profits derived from such their interference extra, or in abuse of their character of local agents of the Company, into an engine for hitherto baffling the legal measures adopted for the purpose of compelling them to account for, and refund the monies received by them, on the adventures and speculations of those merchants. As this particular question, however, is under legal contemplation and discussion, it would be hardly justi-

liable to prejudge it; yet the facts of the suits depending are of the utmost importance in the scale of the general question: and although no partial inference be drawn, or judicial sentence pronounced, an impartial investigation of them may surely be made the basis of legislative provision.

It appears that, complicated with other machinery and management, by which the claims of the merchants alluded to had been attempted to be resisted, or impeded in their prosecution, a most audacious allegation was, through the influence of the agents of the Company, procured to be made the subject matter of a Resolution, or of a formal document of the Select Committee of Directors. By the Journals of the House of Commons it appears, that on January 2d, 1793, " Mr. Dundas moved, that there be laid before " the House three several Reports of the Select " Committee of Directors of the East India Com- " pany to the Lords of the Committee of His " Majesty's Privy Council, for the regulation of " matters relative to Trade and Plantations, which " was ordered accordingly. On the same day a " person attended from the East India Company, " and produced the Reports, which were ordered " to be printed; and on the face of one of these " Reports, the following accusation, supplied by " the very description of men pointed at in the " letters of Lord Cornwallis, and imputing to " the British merchant here the adoption of that " very conduct which, it can be made to appear, " was adopted by themselves extensively and only.

“ This representation to the Court of Directors
 “ was made by the agents of the East India Com-
 “ pany, for the purpose of colouring or concealing
 “ their own adoption of so flagrant a breach of
 “ the duties of the situation which, by the Com-
 “ pany, they were appointed to fulfil. The accu-
 “ sation contained in the Report above alluded to
 “ is this:—‘ Licences were granted to Mr. Etches
 “ for the ships employed in the fur trade. It was
 “ thought that every precaution had been taken
 “ which legal knowledge could suggest; but
 “ when the Captains arrived abroad, they fitted
 “ out other ships in China, and proceeded on an
 “ adventure without licence, declaring a deter-
 “ mination to resist by force, not only the Spanish
 “ power, but English laws.’ ”

That such an accusation should be thus
 recorded, and be permitted to be made, is one of
 the most glaring violations of the common prin-
 ciples of justice,—of English justice, at least,—
 that probably ever before met the public eye. It
 is really heinous that such an accusation should have
 been so permitted; that is to say, that the party
 accused should have been allowed to place the sup-
 posed obliquity of his accuser on the public records
 of the state. This case is almost unparalleled,
 even in the history of Indian judicial delinquency.
 Why did not the Company follow up this accu-
 sation? Why has it slept? And it is no less im-
 portant to ask, why has Mr. Etches so unaccount-
 ably suffered such an accusation to remain uncon-
 tradicted? If it be true, how dare he arraign some
 of these men at the criminal bar of his country?

How dare he at this moment, amidst adversity and oppression, pursue them through all the circuitous processes incidental to the Court of Chancery, and the law courts of the country? If it be false, with what confidence can the Company still claim to preserve inviolable an interference, by an agency to be appointed by themselves, in the transactions of British merchants?

The reason, however, why the accusation should be made, and why the Company should affect to believe it when made, and why they should put it thus on their records, is obvious; and yet to forbear to follow it up, by making an example of the parties who were thus presumed to have violated private faith and public law, is not so obvious. It is worth while that the merchant, trading under a licence of the Company, look to what may be the fate that awaits him, especially if his speculation be a good one: it is worth while that he consider who is here the accuser of a brother merchant, and before whom he is accused. The Company say, "We will grant you a licence to trade; but you must trust our agents, or those under our immediate controul, with the proceeds of your adventure." The agents are accordingly trusted; but the merchants are, or think themselves to be, grossly deceived by these agents; and on the faith of the covenant, on the part of the Company, for the due demeanour of their agents (see Appendix, No. I.), he either makes, or is about to make a complaint to the Company; but the Company, by way of impartially entertaining the complaint, or by way of answer to their guarantee,

produce the calumny of which their agents are the authors. The merchant is thus driven, first to remove the prejudice against him, supposing the Company actuated by no worse motives : he has next to make good his case by evidence to be obtained in China, on a spot wholly, with all the people on it, within the Company's servants' controul : Chinese merchants, who have assisted in the imputed fraud, are to be examined !!! All this is farcical to every one but the merchant here, deluded into a reliance on the Company's guarantee. Let the question be brought home :—If one guarantee the good faith of another, is it for that other to testify the demerits of the party calling upon that guarantee for indemnity ? Certainly not ; for the plain reason, that the testimony, if believed, would discharge his own future liability to his surety. Yet upon the evidence of their agents, the Select Committee allow themselves to report the British merchant a violator of that licence, “ about the framing of which it was thought every legal precaution had been adopted.”

The agents knew what Marquis Cornwallis had done with respect to the well-founded complaints of the merchants of Bengal : they also knew that merchants in England would not silently consent to be plundered of one hundred thousand pounds ; and therefore, reasoning with Hudibras, after he had beaten Sidrophel, who, it may remembered, says,

For Sidrophel resolves to sue,
Whom we must answer, or begin
Inevitably first with him.

For we've receiv'd advertisement
 By times enough of his intent ;
 And know, he that first complains
 Th' advantage of the business gains :
 Is free admitted to all grace
 And lawful favour by his place.

The Company's officers, therefore, in this spirit and with this feeling, having first defrauded the merchant, next brand him to the public eye as a pirate. How will the British public, in such a case, distinguish between the flagitiousness of the accuser and the tribunal? But if it should appear that this denunciation of the British merchant were but a dramatic scene founded on real life, in which the Company's officers were the identical personages ;—if it should appear, that in December, 1787, they corroborated the fact of competition, not only with the merchant embarked in that trade under due authority, but also with the Company itself, in a beneficial trade to China, as complained of by Marquis Cornwallis ;—that themselves fitted out two vessels for the purpose of employing them in that fur-trade such British merchant had in a great degree, originated, and had been licensed to prosecute ;—and if it shall appear that the captain, in case one of the vessels should be attempted by Russian, Spanish, or ENGLISH ships, to be put out of his course, were instructed to repel *force by force* ; and that ships were, colourably only, fitted out under a Portuguese flag, but that the sole adventure were for the benefit of these agents, it will be evident that even English life might be unsafe,

if that life might in any way counteract the competition so forcibly alluded to in the Letters of Marquis Cornwallis above stated. If all these facts shall be made appear,—and that they can be made to appear there is good reason to believe, provided a competent authority investigate them, the East India Company must indeed concede something more to the British merchant than a liberty to trade under the management or interference of their commercial agents, or of those within their immediate controul; and the reason is obvious, also, why the Company have not followed up the accusation so grossly, meanly, nay, flagitiously proffered to be recorded on the Journals of the House of Commons, as a transcript from amidst their own muniments.

It is material, however, that a competent authority do investigate the details of this general statement of facts. All the facts would occupy a volume; and it should be recollected, that the object of these sheets is to solicit or lead the attention of the Legislature to the more prominent, but neglected, features of the general question; not to supply evidence which itself only can immediately command. Yet the legislator should be told, there are men now resident here who can afford,—though very unwillingly, it is presumed,—most important information as to how far the trade alluded to has, or has not, been rendered advantageous to the Company, or to its servants; and how it happens that the private trade has been, as it has been stated on the part of the Company to have been, a disadvantageous one to the interests of those embarked in it.

It is intended to be more than insinuated, that many of the Company's agents, factors, or servants, resident at Canton when Marquis Cornwallis's Letters were addressed to Mr. Browne, were engaged, and had long been engaged in a traffic directly contravening the terms of the licence granted by the Company to Mr. Richard Cadman Etches, the British merchant, through whose spirit, knowledge, and enterprize, it should be recollected, the suggestions of Captain Cook had been attempted to be realized, and were actually first shewn, experimentally, to be a practicable British object.

Let, therefore, Mr. Etches be examined by a competent authority,—not as to his own particular claim upon the Company, or upon their agents, factors, or servants; but as to his knowledge of the advantages not only lost to the great British commercial body, but also to the empire itself, by the close and guarded monopoly of the China trade; and as to his testimony of the possible and practicable frauds of the unaccounting servants of the Company. That these general facts, thus stated, may make their due impression, let the following dates be attended to.

The instructions to the Captain of the pretended Portuguese, but real English vessels (a part of which is mentioned, pa. 34, *ante*), are dated Macao, 23d December, 1787. These, it has been seen, purport, that the Portuguese Captain or Commodore is to repel force, whether American, Russian, or ENGLISH, by force. Now, Messrs. Etches' licences from the South Sea and East India Com-

panies, it should be observed (recommended by His Majesty's Ministers, and most warmly patronized by Mr. Rose, as will appear by No. IV. Appendix), are dated in August, 1785. Marquis Cornwallis's Letters, before referred to, are dated respectively the 5th and 29th January, 1787. It requires very little consideration of the nature of an extensive trading voyage, such as that planned and executed under this licence must have been, to enable the British merchant to see, that at the precise period of the Letters of the Noble Marquis, and that of the fitting-out of the pretended Portuguese vessels, the ships of Mr. Etches, with their cargoes, would be arrived either at Wampoa or at Canton; and immediately, agreeably to the terms of the licence, placed under the controul of the Company's agents. And of what agents,—how faithful to their employers, how true to their trust! the Noble Marquis's Letters, together with the evidence to be hereafter adduced before competent authority, and capable of being produced, may be made, as it ought to be made, fully appear to the British public.

The fact is said to be, and it is already matter of judicial record, that at the period these Letters were addressed to Mr. Browne, and when, therefore, they were under the consideration of the Select Committee for commercial purposes at Canton, these agents were contravening their duty and obligation to their employers; for about that period, namely, in December, 1787, the ship *Loudoun*, fitted out in London in September, 1786, on account of the agents of the Company's servants in Canton, without the licence or authority of

the Company, arrived in the Típa from the north-west coast of America, and employed by them or on their account, for the express purpose of carrying on the north-west coast fur-trade to China; a trade, it should be observed, *already* exclusively granted to British merchants, for five years, by the South Sea Company, and by the East India Company for the period of one voyage: but when the Loudoun was employed as an interloper within the limits of the South Sea Company by these agents, the five years limitation by that Company had not expired, neither had the one voyage limited by that of the East India Company been completed.

For this egregious and when the official character of those agents and actors is considered, it may be added, for this appalling fact, ample evidence, out of the mouths of the parties themselves, can be adduced; and the Legislature will thence be apprised, how futile must be any provisions for the benefit of British Commerce, if such an agency shall yet be permitted to controul it.

Now the Company, in its corporate character, should know, as well as some persons composing that Company in their individual character already know, that this ship, so bought and employed by the servants, or agents or factors of the Company, was reported at Macao as the Imperial Eagle from Ostend: it should also be remembered, that this ship mounted 28 guns, and had a complement of 90 officers and men on board, chiefly English.

And it should also be observed, that in the

Consultation-book of these agents and factors at Canton, annually transmitted to the Court of Directors, and before-mentioned and alluded to, not one word of this nefarious expedition or of the Loudoun, as applicable to themselves (the only parties essentially interested therein and benefiting thereby), is to be found; but this vessel is reported in the accustomed manner, as an arrival of the Imperial Eagle, from Ostend: and it appears by certain documents ready to be produced, as a competent authority shall require them to be produced, that several thousand pounds have been paid to persons employed in the expedition as hush-money, who have been compelled, by judicial process, to testify the material facts of the transaction.

But the present discussion on the question that presents itself in respect of the still close monopoly of the China trade, may not yet end: great and weighty are the arguments for further enquiry into the question, What is meant or what is intended by the still damming up this trade?

Upon the case stated on the part of, and by the Company (No. VIII. printed Correspondence, published by Sherwood and Co.), it appears that Government has obtained no concession in favour of the British merchant; neither does it appear, that in any beneficial way whatever will the commercial restraints created by the Company's charter be relaxed or modified. The Company, indeed, are at length made to concede—but what? A ruinous trade!! They retain, however, a close monopoly—of what? Of the only advantageous

trade which, according to the statement of their own case, their charter has guaranteed them. Is this that sort of exaction with which a Government, conservate of the general interests of the vast commercial body of the empire, will be content? Is this the concession which will, or ought to satisfy that body? Government seems aware that Lord Melville was instructed to demand less than is now demanded on the part of the public; and except as to the China trade, appears to treat the pretensions of the Company lightly, in comparison with the just expectations of the British commercial body.

If a charter for years be to be considered as a charter for an indefinite term,—if words are to be wrested from their understood meanings,—then the mention of a limited term of years might have been spared, and, like charters of incorporations of cities and towns, the Government needs not to have reserved to itself the power of examining into the facts, and of investigating existing circumstances which may from time to time occur, and which may totally and fundamentally originate new principles for legislative interference, or new grounds for restraining, extending, or modifying the terms and conditions of the original charter.

But the Government has in its wisdom reserved that power, and in its wisdom it will exert it. Although the principles of monopoly itself, as to this particular question, may not now be examined, yet those upon which even this monopoly may be usefully modified, cannot, at the present

period, but materially claim the strictest investigation.

At the time it was conceived the trade to India or China might be usefully restrained to flow in a particular and defined channel, the most sanguine mind could not rationally have contemplated the vast basis upon which it might thereafter be extended. At that period it could not have been foreseen, that within the geographical limits, now said to be comprehended within the charters of the South Sea Company and of the East India Company, would be found seas, islands, nay, a continent! from all of which it could be deemed expedient to exclude the future energies of the British public. It should be recollected, that *national* discoveries, long after the establishment of these Companies as chartered bodies, gave existence and identity to regions which were before ideal, or disbelieved to exist. Islands innumerable; bays, of vast extent; and, where the ocean or where islands only were supposed to exist, a vast continent has been discovered to extend itself. Now, the arguments thence to arise and to be enforced, and the inferences to be thence drawn, are short, clear, just, and irrefragably convincing: IF THESE DISCOVERIES BE NATIONAL, SO OUGHT ALL THE BENEFIT TO BE DERIVED FROM THEM TO BE NATIONAL. The South Sea Company hath long since ceased to be a trading company; and as it readily grants licences to trade within the limits of its charter, what follows is inapplicable to the nominal commercial charter of that Company. But the British public, wholly unaided

by the East India Company, it seems (if the charter be to be continued to be held binding in this respect) has planned, fostered, and perfected these discoveries, for the benefit of the Company only. Captains Cook, Clerke, Gore, King, Portlock, Dixon, Colnett, Duncan, Vancouver, and others, will have added, indeed, to the nautical splendour of the British name, but the East India Company suffuses its radiance, and neither pursues or adopts the commercial plans suggested, and in some degree reduced to practice by these commanders, itself, nor will it, except under trammels and liabilities to be plundered by its servants, allow British merchants to further or adopt them.

If, indeed, the East India Company had felt themselves encouraged, in consequence of their charter, to open, and “after long hazards, vicissitudes, and great expence,” established new and unheard-of avenues of commercial advantages, as they allege themselves to have obtained their territorial possessions, there might be something in the claim still to retain the enjoyment and exclusive appropriation of those avenues. But, when the merchant places the new map of a new world under his eye; when he reads the authentic relations of those voyages, or those parts of them so peculiarly interesting in a commercial point of view, he almost maddens with the reflection, that these great discoveries might, as to him, for ever have remained “in the deep bosom of the ocean buried.” He naturally demands, “Were the enterprizes, of which Captain Cook, and a succession of able commanders, had the direction, the enterprizes

of the East India Company? or did they emanate from His Majesty? Were they not pursued on the behalf of the British people, who, thus paying and contributing to their being undertaken and accomplished, unalienably became entitled, individually and aggregately, to reap the profits?" The merchant finds they were not the enterprizes of the East India Company. He finds that Company only sulkily and indifferently looking on, or invidiously thwarting an Administration, of which Mr. Rose was a distinguished member, and counteracting, by the covenants they exacted, and the limitations they prescribed by their licence, the extensive commercial views of Mr. Pitt and his colleagues. He also finds, that the British people, collectively and individually, did pay for the undertaking those enterprizes; and of necessity he infers that, collectively and individually, they became entitled to derive the profits to flow or arise from their accomplishment.

Yet at this unexampled period, he finds that these benefits, which the Company have neither fostered nor sought to attain; that these advantages, which the Company's means, diverted and incumbered as they are by territorial and political views and speculations, are too limited to pursue, are, if endeavoured to be obtained or pursued by British merchants, paralysed by the revolting touch of the Company's charter; but he also finds, or soon may learn, that though the Company itself is not identified with the advantages promised, and in part realized, by these enterprizes, yet that its immediate servants,

abusing their trust, have availed themselves of them to a very considerable amount.

It should be observed, that could the whole of Captain Cook's anticipations be realized, the trade to be thence derivable would embrace almost one of the hemispheres of the globe. The fact is, as it is most confidently said it can be made appear, that several members of the Company, or their immediate relations, in their individual, and therefore unaccounting character, have embarked in and carried on this trade; short indeed, immensely short, of the capabilities it possesses of extension, but extensive enough for the purpose of shewing how much advantage British commerce may derive from it, if thrown open, upon modified terms, to British commercial energy, and even to British necessities. The fact further is, as it is confidently stated to be, that the proper funds of the Company have been employed, diverted, or diminished, for the purpose of partially carrying on this trade; and that while it has been shut up from the British merchant in general, and unused by the Company itself, it has been open to persons, mediately or immediately connected with, or acting for, great East India Proprietors; and it is said to be notorious, that men concerned in this very trade, this very competition, so loudly complained of, and alluded to by the Letters of the Marquis Cornwallis, have found their way into the Direction.

It may be captiously replied, indeed, that Great Britain does in reality take the lead in reaping the full advantage of its own discoveries, in as far as it may be presumed that the monopoly

of the East India Company is itself a national benefit, and that the nation mediately, through that monopoly, derives the full benefit the line of trade pointed out is capable of yielding. It may be further alleged, on the part of the Company, that it does not cast its charter in the way of any beneficial trade that might result from national discoveries in the North and South Pacific, since a free navigation of those oceans is not pretended by them to be excluded by their charter.

Such shameless fallacy of reasoning is untempered even by pretensions to credence, or to common sense. If the Company, as has been previously observed, had embarked in, much less had it exhausted this trade, then such reasoning might have been entertained by well poised minds; but if the united voice of the whole free commerce of these dominions be loud in soliciting, at the hands of Parliament, a modification of the monopoly of the China trade, in which is, of course, intended to be included a trade with all that part of the intermediate continent, and also with those islands untouched at, and probably unthought of, by the Company, what of reason, justice, policy, or duty, may be alleged for denying that modification? It is a course of trade the Company have neither used, nor are capable of using; and which was unknown to exist until long after this damning charter of present exclusion existed. And as to the Company's denial that they clog, or interpose in, the national discoveries in the North and South Pacific, it may be replied, that if it shall be made appear that those discoveries are only to be

rendered beneficial to British commerce in general, by the trade to China and India being thrown open, under advised but very distinct regulation from that heretofore adopted; and if it shall also be made appear that those discoveries are not, or that they cannot be made beneficial, by reason that the charter cuts off or excludes the only markets that would, in all probability, make them so, the position that the monopoly of the Company renders abortive those national enterprizes and discoveries, is clear, and incapable of contradiction.

But a time at length arrives when the question of renewal of the Company's charter is to be entertained in Parliament: the merchant, however, finds the gleam of light, visible at the end of this long gallery of darkness, diminishing instead of enlarging as the end is approached; and that influence sufficient exists to close his views of a beneficial commerce to China for ever. He finds that Government, through its organs, Lords Melville and Buckinghamshire, yield, surrender, and give up all claim on the part of the public to participation in the China trade.

Will the Parliament, as arbiter between the country and this member of it, the East India Company, sanction so mighty and unrecompensed a cession of national and commercial objects? Will Parliament endure a dereliction of those undoubted and inherent rights? A dereliction of the worst species, since at one sweep it takes away every thing from the well-founded hopes of the British merchant, gives nothing to the Company in its corporate capacity, but nurtures those seeds

of rapacity and corruption in its agents, which are to grow up, overshadow, and at length destroy it.

It may be repeated, that the British merchant has an unalienable right to national commercial objects; and Parliament, all powerful as it is, and constitutionally ought to be holden to be, will not lend itself to assist in squandering upon a chosen few, those objects which every British subject has an indefeazible right to consider as his own—a right not to be wrenched from him by the unlineal hapd now uplifted against him.

Let it be again asked, if all the commercial advantages to be derived from the discoveries of Captain Cook, and his immediate coadjutors and successors; extended by Captains Portlock, Dixon, Colnett, and Duncan, the captains employed in the licenced ships, fitted out for the China and north-west coast fur-trade by Mr. Etches; still further extended and confirmed by Captain Vancouver, are not national, wherefore it happens that the name of Captain Cook, and those of this succession of able and respectable mariners, have been heard any where but in Leadenhall-street? Was it for this Company that the discovery of a north-west passage to China became a national object, and that His present Majesty's views were unceasingly directed to the ascertainment of the existence of that passage or not? Was it for this Company that the following clause was inserted in Captain Cook's instructions, signed by the then Lords of the Admiralty, on his last voyage?

“ At whatever places you may touch in the course of your voyage, where accurate observa-

“ tions of the nature hereafter mentioned have not
 “ already been made, you are, as far as your time
 “ will allow, very carefully to observe the true situa-
 “ tion of such places, both in latitude and longitude;
 “ the variation of the needle; bearing of headlands;
 “ height, direction, and course of the tides and cur-
 “ rents; depths and soundings of the sea; shoals,
 “ rocks, &c. and also to survey, make charts, and
 “ take views of such bays, harbours, and different
 “ parts of the coast, and to make such notations
 “ thereon *as may be useful either to navigation or*
 “ *commerce.* You are also carefully to observe the
 “ nature of the soil, and the produce thereof; the
 “ animals and fowls that inhabit or frequent it; the
 “ fishes that are to be found in the rivers or upon
 “ the coast, and in what plenty; and, in case there
 “ are any peculiar to such places, to describe them
 “ as minutely, and make as accurate drawings of
 “ them as you can; and if you find any metals, mine-
 “ rals, or valuable stones, or any extraneous fossils,
 “ you are to bring home specimens of each; as also
 “ of the seeds of such trees, shrubs, plants, fruits,
 “ and grains, peculiar to those places, as you may be
 “ able to collect, and to transmit them to our Secre-
 “ tary, that proper examination and experiments
 “ may be made of them. You are likewise to observe
 “ the genius, temper, disposition, and number of
 “ the native inhabitants, where you find any; and
 “ endeavour, by all proper means, to cultivate a
 “ friendship with them; making them presents of
 “ such trinkets as you may have on board, and they
 “ may like best; inviting them to TRAFFIC, and
 “ shewing them every kind of civility and regard;

“ but taking care, nevertheless, not to suffer yourself
 “ to be surprised by them, but to be always on your
 “ guard against accidents.”

As a preliminary ground for the interference of Government in behalf of the Company, it ought at least be made appear that the Indian and Chinese trades are prosecuted to the utmost extension they are capable of;• but, independently of the mere geographical line, which it is imagined not even *all* the commercial ability of Great Britain, flowing along that line only, would be capable of occupying, Viscount Valentia has suggested several new objects of a beneficial trade within the limits of their charter neglected by the Company, and consequently wholly lost to Great Britain; and if the Company do not, or cannot, fully embrace these objects, Government will scarcely be prevailed upon to assist in excluding those who *will* and can embrace them.

But a stronger ground yet remains to be alleged for a free trade, independently of their charter. The Government formally stands pledged to the public, and for many years past has stood so pledged, to open, or essentially and beneficially to facilitate, every description of trade within the geographical limits, or within the spirit and meaning of the charter. Government itself has prompted the free commercial body of the empire to claim all the benefits to be derived from these discoveries; it has emphatically held out to that body a most decidedly constructive assurance, that its just

and reasonable anticipation of those general benefits will not, and ought not to be frustrated.

For in the introduction prefixed to an official publication of Captain Cook's Voyage, performed in the years 1776, 1777, 1778, 1779, and 1780, the author of that introduction, writing, it should be remembered, under the avowed sanction, and in the employ of Government, thus expresses himself:—"Every nation that sends a ship to sea will partake of the benefit; but Great Britain herself, whose commerce is boundless, must take the lead in reaping the full advantage of her own discoveries.

"In consequence of all these various improvements, lessening the apprehensions of engaging in long voyages, may we not reasonably indulge the pleasing hope, that fresh branches of commerce may, even in our own time, be attempted and successfully carried on? Our hardy adventurers in the whale fishery have already found their way, within these few years, into the South Atlantic; and who knows what fresh sources of commerce may still be opened, if the prospect of gain can be added to keep alive the spirit of enterprize? If the situation of Great Britain be too remote, other trading nations will assuredly avail themselves of our discoveries. We may soon expect to hear that the Russians, now instructed by us where to find the American continent, have extended their voyages from the Fox Islands to Cook's River and Prince William's Sound. And if Spain itself should not

“ be tempted to trade from its most northern
 “ Mexican ports, by the fresh mine of wealth dis-
 “ covered in the furs of King George’s Sound,
 “ which they may transport in their Manilla ships,
 “ as a favourite commodity for the Chinese mar-
 “ ket, that market may probably be supplied by
 “ a direct trade to America, from Canton itself,
 “ with those valuable articles which the inhabi-
 “ tants of China have hitherto received only by
 “ the tedious and expensive circuit of Kamschatka
 “ and Kiatchta.

“ These and many other commercial im-
 “ provements may reasonably be expected to result
 “ from the British discoveries, even in our own
 “ times; but if we look forward to future ages,
 “ and to future changes in the history of com-
 “ merce, by recollecting its various past revolu-
 “ tions and migrations, we may be allowed to
 “ please ourselves with the idea of its finding its
 “ way at last throughout the extent of the regions
 “ with which our voyages have opened an inter-
 “ course; and there will be abundant reason to
 “ subscribe to Captain Cook’s observation with
 “ regard to New Zealand, which may be applied
 “ to other tracts of land explored by him, that
 “ ‘ although they be far remote from the present
 “ trading world, we can by no means tell what use
 “ future ages may make of the discoveries made
 “ by the present*.’ In this point of view, surely
 “ the utility of the late voyages must stand con-
 “ fessed.”

* “ Cook’s Voyage, Vol. I. page 92.”

Recurring to this official, this national document, Government cannot intend the commercial body of Great Britain to be still excluded the great objects, by that document so fully delineated; and therefore it cannot intend the perpetuity of the East India Company's charter. The language, it may be repeated, so held by the Government in 1784, is utterly incompatible with, and contradictory of the language of assent now held on the part of Government, at the present period, relative to the continuance of a close and unmodified monopoly of the China trade; whether wisely, justly, or in good faith or not, it will be for the wisdom of Government to re-consider, and for parliament to determine.

Captain Cook was not a mere navigator; There was something else about him besides a capability of distinguishing, with a sailor's ken, a promontory, or a reef of rocks; that, as a seaman, he thoroughly comprehended, and was practically acquainted with, all the immediate and relative duties of that difficult character is the least of his praise, because there are thousands in the service who, with him, may claim to be distinguished for an equal knowledge of those duties: but, to the practical acquirements of an experienced commander, he added the far extended views of an able theorist in commercial speculation, and these could not fail to be adopted by the officers who accompanied him in his several voyages. Captain King, who, on the deaths of Captains Cook and Clerk, in the course of the last voyage, became commander of the *Discovery*, one of the vessels

engaged in the last expedition to the North Pacific, and who wrote the account of that voyage, thus expresses himself. "The rage with which our sea-men were possessed to return to Cook's River, and, buy another cargo of skins, to make their fortunes, at one time was not far short of mutiny; and I must own I could not help indulging myself in a project, which the disappointment we had suffered, in being obliged to leave the Japanese Archipelago, and the northern coast of China unexplored, first suggested, and, by what I conceived, that object might still be happily accomplished through means of the East India Company, not only without expence, but even with the prospect of very considerable advantages. Though the situation of affairs at home, or perhaps greater difficulties in the execution of my scheme than I had foreseen, have hitherto prevented its being carried into effect, yet, as I find the plan in my journal, and still retain my partiality for it, I hope it will not be entirely foreign to the nature of this work, if I beg leave to insert it here.

"I propose, then, that the Company's China ships should carry an additional complement of men each, making in all one hundred. Two vessels, one of two hundred, and the other of one hundred and fifty tons, might, I was told, with proper notice, be readily purchased at Canton: and as victualling is not dearer there than in Europe, I calculate that they might be completely fitted out for sea with a year's pay and provisions for six thousand pounds, including the purchase.

“ The expence of the necessary articles for barter is
 “ scarcely worth mentioning. I would by all means
 “ recommend that each ship should have five tons
 “ of unwrought iron, a forge, and an expert smith,
 “ with a journeyman and apprentice, who might
 “ be ready to forge such tools as it should appear
 “ the Indians were most desirous of. For, though
 “ six of the finest skins, purchased by us, were got
 “ for a dozen large green glass beads, yet it is well
 “ known, that the fancy of these people for articles
 “ of ornament is exceedingly capricious, and that
 “ iron is the only sure commodity for their market.
 “ To this might be added a few gross of large
 “ pointed case knives, some bales of coarse woollen
 “ cloth, (linen they would not accept of from us,)
 “ and a barrel or two of copper and glass trinkets.
 “ I have here proposed two ships, not only for the
 “ greater security of the expedition, but because
 “ I think single ships ought never to be sent out
 “ on discoveries: for where risks are to be run,
 “ and doubtful and hazardous experiments tried,
 “ it cannot be expected that single ships should
 “ venture so far as where there is some security
 “ provide against an untoward accident.

“ The vessels being now ready for sea, will
 “ sail with the first south-westerly Monsoon, which
 “ generally sets in about the beginning of April.
 “ With this wind they will steer to the northward,
 “ along the coast of China, beginning a more
 “ accurate survey from the mouth of the river
 “ Kyana, or the Nankin river, in latitude thirty
 “ degrees, which I believe is the utmost limit of
 “ this coast hitherto visited by European ships.

“ As the extent of that deep gulf, called Whang
 “ Hay, or the yellow sea, is at present unknown,
 “ it must be left to the discretion of the commander
 “ to proceed up it as far as he may judge prudent;
 “ but he must be cautious not to entangle himself
 “ too far in it, lest he should want time for the
 “ prosecution of the remaining part of his enter-
 “ prize. The same discretion must be used, when
 “ he arrives in the straits of Tessoï, with respect
 “ to the islands of Jeso, which, if the wind and
 “ weather be favourable, he will not lose the oppor-
 “ tunity of exploring.—Having proceeded to the
 “ latitude of fifty-one degrees forty minutes, where
 “ he will make the southernmost point of the
 “ island of Sagaleen, beyond which the sea of
 “ Okotzk is sufficiently known, he will steer to
 “ the southward, probably in the beginning of
 “ June, and endeavour to fall in with the southern-
 “ most of the Kurile islands. Oorooop or Nadeeg-
 “ sda, according to the accounts of the Russians,
 “ will furnish the ships with a good harbour, where
 “ they may wood and water, and take in such
 “ other refreshments as the place may afford.
 “ Toward the end of June, they will shape their
 “ course for the Shummagins, and from thence to
 “ Cook’s river, purchasing, as they proceed, as
 “ many skins as they are able, without losing too
 “ much time, since they ought to steer again to
 “ the south-ward, and trace the coast with great
 “ accuracy from the latitude of fifty-six to fifty
 “ degrees, the space from which we were driven
 “ out of sight of land by contrary winds. It should
 “ here be remarked, that I consider the purchase

“ of skins, in this expedition, merely as a secondary
 “ object for defraying the expence; and it cannot
 “ be doubted, from our experience in the present
 “ voyage, that two hundred and fifty skins, worth
 “ one hundred dollars each, may be procured
 “ without any loss of time, especially as it is pro-
 “ bable they will be met with along the coast to the
 “ southward of Cook’s river.

“ Having spent three months on the coast
 “ of America, they will set out on their return to
 “ China early in the month of October, avoiding,
 “ in their route, as much as possible, the tracks of
 “ former navigators. I have only now to add,
 “ that if the fur trade should become a fixed ob-
 “ ject of Indian commerce, frequent opportunities
 “ will occur of completing whatever may be left
 “ unfinished, in the voyage of which I have here
 “ ventured to delineate the outlines.”

The reader will not fail to be struck with this truly magnificent sketch of what British energies, had they been allowed to unfold and display themselves, might have rendered their own; that body of men, to whom it was dedicated, however, did nothing; their inability, or their apathy, might occasion national regret, that a prospect so stupendous, so fertile in commercial advantages of the first order, should not only be beheld by them with an averted eye, but that the vision of every other man directed towards it and who might desire to tread the teeming fields immeasurably stretched out beneath him, should, through the blar illusions of the Company, become blighted or destroyed. The factors, servants, and agents of the Company,

whose good faith was pretended to be guaranteed, were the very men who rendered abortive, at least in British hands, every rational effort made to give effect to these great and national promises of solid commercial advantages.

It is most especially worth remarking, that the Company's exclusive China trade, injured in many important respects in the manner the letters of the Noble Marquis shew it to have been injured, is now attempted to be fortified by an assertion on the part of the Company, that the British private trade to China, for many years past, has not been a profitable one to those embarked in it; and that the opportunities of tonnage offered to those willing to embark in it have, by reason of the unprofitableness, not been embraced.

The facts and documents adduced on the present occasion, however, clear away the pestiferous fog thus spit out by the authors of these assertions. The private trade to China, it may be presumed, is their own; it is to be presumed they intend it shall remain their own; and they think they cannot better clothe their illusions in a semblance of reality, than by a bold and even proved assertion, that the private trade to China for a series of years past has been a losing one.

How should it be otherwise, when entrusted to their fostering hand? A vulture protecting a lamb indeed! Has it been enquired of these witnesses on the part of the Company, what fortunes themselves have made, and how? Let Messrs. * * * * * and * * * * * and * * * * * and * * * * * all now in England, be examined on oath. Let

Mr. * * * * * be requested to descend from the directorial chair, and explain the affair of the ship Loudoun, *alias* "the Imperial Eagle, from Ostend!" Let the connection with Mr. John Henry Cox, named in the letter of the Noble Marquis, be explained. Let them explain what they are well able to explain, and ought to be made explain, and then still less plausibly may it be insisted, that the trade to China remain under the absolute controul of the Company.

Before the Company, as well as elsewhere, some men, not wholly strangers to the China trade, have already been arraigned: it is said they were made to understand, that their quitting China would not be objected to; but there is good reason for imagining that this hint operated on the name only. The private trade to China has been a losing one; and it is little doubtful, that if it be to be regulated, as it is called, by the agents, factors, and servants of the Company, it must continue to be a losing one.

Had the Messrs. Etches been allowed to reap the field they had so spiritedly attempted to cultivate under the auspices of Mr. Pitt's administration, the harvest of the labour would have been England's only; not America's, Russia's, nor any other power's on earth. At the period of Messrs. Etches' expedition, Russia, with whom, exclusively, the China fur-trade had been long carried on, but in a mode different in all its details from that purposed to have been established according to the plan of Captain King, was at war with China, and so continued to be for the

space of eight years, viz. from 1784 to 1793. The immense consumption, not of China only, but also of Corea and Japan, and their dependencies, England might have wholly or very largely supplied; for, encouraged by the well-measured plans of Messrs. Etches (had not the foulest means been adopted to frustrate them), English capital would have been embarked in any amount requisite to realize an opportunity of extensively benefiting by that war. The agents, factors, and servants of the Company, embarked in the trade, but working as they were with stolen tools, and under no character that they dared avow, though in habitual violations of their duty "*omnia audax perpeti*," could not be imagined to have concentrated within their own faculties those of the great British commercial body.

That the Russian and Chinese war existed during the period stated, and that such war particularly suspended the Russian fur-trade, is matter of history, and will also be evident by referring to Nos. V. and VI. Appendix.

Copies of the documents referred to by these affidavits, in Russ, are in the author's possession, and they may be inspected by those who are conversant in that language.

It should also be observed, that the fur-trade being carried on in a very limited degree by the agents, servants, and factors of the East India Company, and by their conduct towards those embarked in it, British capital was diverted or withdrawn from it; and, with the exception of the share those agents, servants, and factors, still contrived to retain in it, that trade ceased to be a

British object: and on the conclusion of the war between Russia and China, with all the superadded advantages that British nautical skill and ability had originated and supplied, the trade in skins similar to those collected on the north-west coast of America, was again taken up by Russia. It may be observed, that the principal establishment of this power is at Port Etches, on this coast; and thus streams which, skilfully conducted, might have fertilized an empire wholly British, were left to flow over and enrich an alien or a forbidden soil.

The East India Company has complained, that its "case has been deeply injured by prejudice, ignorance, erroneous assumptions, and, of late, by unfair representations, canvass, and intimidation;" * but while it appears justly to apprehend an efficient Government, uninfluenced by insulated views and disdaining the selfish reciprocity of support which narrow statesmen may have thought necessary to promote their measures, the Company seems unwilling to number and array its greatest and most formidable enemies,—increasing Knowledge, Truth, Justice, and Common Sense.

* See Resolutions 5th May, 1812, published in the newspapers.

APPENDIX

Appendix, No. I.

The Clauses contained in a Licence from the East India Company, referred to pa. 23, *ante*.

THE Licence is in the form of an Indenture, which, after stating the parties' names, recites as follows : —“ Whereas the said United Company, by virtue of sundry charters and acts of parliament, are entitled to the sole and exclusive trade, and the sole and exclusive privilege of going to and frequenting the East Indies, and the countries and parts of Asia and Africa, and all islands, ports, havens, cities, creeks, towns, and places of Asia, Africa, and America, or any of them, beyond the Cape of Bona Esperenza to the Straits of Magellan, where any trade or traffic of merchandize hath been, is, or may be used or had; and no person or persons whatever, being a British subject or subjects, can lawfully go to or frequent, trade or traffic to or in the places aforesaid, or any or either of them, without the licence and authority of the said United Company: And whereas the said,—(the parties' names to whom the Licence was granted).—

have formed a design to engage in an adventure to the north-west coast of America, and there to settle small factories, for the purpose of purchasing and procuring furs, and such other goods, the produce of that country, as may be sold and disposed of at the places hereinafter particularly mentioned, within the limits of the said United Company's trade and privilege; and have applied to the said United Company, and requested licence and permission to carry on the said trade, in such manner as that the same may not interfere with or prejudice the said United Company, in the trade or traffic carried on, or to be carried on and used by them: And whereas the said adventure hath been under the consideration of His Majesty's Ministers, and the same being approved by them, and it being esteemed to be of importance to this kingdom to endeavour to open and establish such a trade, it hath been recommended to the said United Company by His Majesty's Ministers to licence, countenance, and encourage the same; and thereupon the said United Company hath agreed to licence and authorize such trade, under, and subject to, such conditions and restrictions as hereafter are also mentioned." The Indenture then witnesseth, "that for the purpose of encouraging and promoting the said undertaking, the said United Company give and grant unto the parties and their agents, full and free licence, power, and authority, to proceed *for one voyage with the ships, &c.* to the Isles of Japan, and other places to the northward thereof, with cargoes of furs and other goods, the produce of the north-west coast of America, and to

dispose of such goods by sale or barter at the said Isles of Japan, or other places to the northward thereof; and in case such goods cannot be disposed of there, then with free liberty to explore and dispose of the said goods along the coast of Corea, in their way down to Canton; and, finally, to proceed to the port of Canton, in the empire of China, and there put themselves under the directions of the supra-cargoes and agents of the said United Company, and afterwards return to Europe." The parties are then made to covenant, that "in case the (goods) cannot be disposed of at the Japanese Islands, or to the northward thereof, then that they shall trade with the said ships, and endeavour to dispose of the said goods on the coast of Corea, in their way down to Canton; and as soon as the said ships, respectively, shall have finished their trade at the Japanese Islands or other places to the northward thereof, or on the coast of Corea, they shall go directly to Canton in China, and there submit and demean themselves agreeably to such orders and instructions as they shall receive from the said United Company's supra-cargoes; and that the supra-cargoes and agents of the parties, and the commanders of the said ships, respectively, shall forthwith after their arrival at Canton aforesaid, deliver to the supra-cargoes of the said United Company an account in writing of all the goods or money obtained by them, or any of them, by barter or sale at the Japanese Islands or the places to the northward thereof, or on the coast of Corea; and of all American and European goods, if any remaining undisposed of; and also of all the stores of and

belonging to the said ships, respectively ; and also that all money received at the Japanese Islands or other parts to the northward thereof, or on the coast of Corea, for the furs and other goods procured on the north-west coast of America, sold at such places, shall be paid into the said United Company's treasury at Canton, for bills of exchange, as hereinafter is mentioned ; and with respect to furs and other American goods remaining unsold when the said ships shall arrive at Canton, the same shall be offered to the supra-cargoes of the said United Company, at a fair price, and if the said supra-cargoes cannot or shall not see proper to agree for the purchase thereof, then such of them as shall be proper for sale at China shall be delivered to the said supra-cargoes, to be sold by them, on the customary commission, on account of the parties, and the money arising therefrom shall be paid into the said United Company's treasury, for bills of exchange as aforesaid ; and in respect to such of the said goods as shall be more proper for sale in India, the same shall be sent and consigned, as there shall be an opportunity, by returning ships, to the governors and councils of some or one of the said United Company's presidencies in India, to be sold there, on the customary commissions of such presidency, on account of the persons concerned in the said adventure, and the produce thereof shall be remitted to England, through the said United Company's treasury, by bills of exchange ; and in respect to all European goods, and the stores of the said ships, the same shall be brought back to Europe, or used by the said ships in their voyage, and no part thereof

shall be sold or disposed of at any place or places within the limits of the said United Company's trade; and if the persons concerned in the said adventure, or their supra-cargoes or agents, shall refuse to sell and dispose of their American goods, except furs, which shall not be left at China, which may be brought home; and goods obtained by barter, in manner aforesaid: then the licence of the said ships, respectively, to remain within the said Company's limits, shall cease; and the said United Company shall not be obliged to load them home; and the said ships shall forthwith return to Europe, and deliver the said goods into the said United Company's warehouses, to be sold at the said United Company's sales, and one half part of the nett produce of such sale shall be kept and retained by the said United Company for their own use, and the other half thereof shall be paid to the parties; and if the persons concerned in the said adventure, or the masters and the commanders of the said ships, shall refuse or neglect to return to Europe with the said goods, or on arrival shall not deliver the same and every part thereof to the said United Company to be sold as aforesaid, then and in either of the said cases, the parties shall forfeit and pay to the said United Company the sum of £5000 for every such refusal and neglect: And also, that before the said ships shall proceed on the said voyage, there shall be delivered to the said Company a true and exact list of all persons concerned in the said adventure, subscribed by themselves respectively, and also of the agents sent out on the said adventure, and of the commanders, officers,

and seamen, and all other persons employed therein and in the said ships; and also that, within seven days next after the arrival of the said ships in the port of London, or within fourteen days after their arrival in any other port of this kingdom, on their return voyage, or the return of any other ship or ships returning home in their places, the masters and commanders of the said ships, respectively, shall deliver to the said United Company the original and true journals and log-books of the said ships, which shall contain the accounts of all the said ships' proceedings, from the time of their departure from Europe to the time of their arrival in Great Britain, for the perusal and inspection of the said United Company; but the contents thereof are not to be disclosed or made public, except to Government, without the consent of the parties concerned in the said adventure; and in case they should refuse or neglect to deliver the said journal and log-books, the parties shall forfeit and pay to the said United Company the sum of £2000."

Then follows this Covenant on the Part of the Company.

And the said United Company do for themselves, and their successors covenant, promise, and agree to and with the parties, That in case any goods shall be delivered to the said United Company's supra-cargoes at Canton, assigned to be sold by them pursuant to the covenants and agreements aforesaid, then and in such case the said

United Company shall be answerable for the said supra-cargoes DULY ACCOUNTING FOR THE SAID GOODS; and also, that in case any goods belonging to the said adventure shall be sent to any or either of the said United Company's presidencies in India, to be sold on commission as aforesaid, the said United Company shall be answerable for the governors and council who shall receive the same, that they SHALL DULY ACCOUNT FOR THE SAID GOODS, and pay the money arising from the same into the said United Company's treasury at such presidency.

Appendix, No. II.—Referred to pa. 23, *ante*.

Letter from Marquis Cornwallis addressed to Henry Browne, Esq. &c. Supra-cargo, at Canton.

In addition to the Letter from the Board, I am under the necessity of stating to you, that some of the most respectable merchants of this place have represented to me, that they have received great complaints from their agents of the obstruction they have met with in their mercantile adventures at Canton. I am extremely unwilling to give credit to a report so injurious to private characters, and if well-founded, so destructive to the interests of the Company. But they have ventured to assert, that some of the supra-cargoes have engaged in Private Trade, which they partly carry on under the name of Mr. Cox, a free br-

chant; and in many instances make use of their influence to force private traders to buy and sell their opium, and other commodities, upon disadvantageous terms. It is with reluctance I commence my correspondence with you on an unpleasant subject; but I feel myself called upon to make further enquiries here, on arrival of the remaining ships of the season; and I trust on your part you will give the matter a thorough investigation. I have thought it necessary to mention the subject in the last dispatches to the Court of Directors; but can assure you, with great truth, that it would give me the greatest pleasure to be convinced that my apprehensions for the general interest of the Company, and particularly for that branch of trade of this country which is carried on with great hazard and is by no means flourishing, have been without foundation.

(Signed) CORNWALLIS.

Calcutta, 5th Jan. 1787.

Appendix, No. III.—Referred to pa. 23, *ante*.

Letter from Marquis Cornwallis, Charles Stewart, Esq. and J. Shore, Esq. (now Lord Teignmouth), addressed to Henry Browne, Chief Supra-cargo, at Canton.

Sensible of the advantage the Company must derive by their exports to China's being increased, we shall use our utmost exertions to supply

you with every aid that the resources of Bengal will admit: but we shall fail in our endeavours to do this, unless the merchants of India trading to China receive every support from you. We have heard, though from private authority, that many obstructions are experienced by merchants and owners of private ships trading to Canton, of so discouraging a nature, that it is to be apprehended that this source of your supplies will be totally lost, unless the influence through which these obstructions arise be speedily and effectually removed. The consequence to the Company, if such were the case, is too obvious to need a comment;—the loss of revenue to our settlements, by the non-export of their commodities—the loss of supplies to China, by the amount of such exports being withheld from you: for it is not possible to expect, that the East India Company can be enabled to furnish, annually, supplies in specie equal to your wants; nor can there be any other mode of furnishing your treasury, than by the commodities of India being sold in China; but this trade CANNOT BE CARRIED ON UNDER A COMPETITION WITH THE COMPANY'S AGENTS THERE.

(Signed)

CORNWALLIS.

CHAS. STEWART.

J. SHORE.

Fort William, 29th Jan. 1787.

Appendix, No. IV.

Note from George Rose, Esq. to Mr. Richard Cadman Etches, referred to p. 37.

“ Mr. Rose presents his compliments to Mr. Etches, and congratulates very him heartily on the accounts he has received of the arrival of the two ships in China.—Mr. Rose will be rejoiced to hear the adventure turns out as advantageously as the adventurers originally expected, whose exertions deserved such a return.

“ Treasury, May 1, 1787.” !

Appendix, No. V.

Affidavit of the Deponent, Joseph Fawell, referred to pa. 59, *ante*,

Joseph Fawell, of the city of St. Petersburg, merchant, maketh oath and saith, that the paper marked No. 1, hereunto annexed, is a copy of an extract recently made from the archives of the Senate of this city, and was made at the request and application of this deponent. And this deponent further saith, that the printed paper marked No. 2, hereunto also annexed, was also obtained lately from the above-mentioned archives, and is a public Ukase or order, according to the Russian laws, by which the people are informed of all public new laws, orders, or regulations. And this deponent further saith, that by the said annexed

paper, marked No. 1, the market of Kiatka and of other frontier places was ordered to be shut up, and all commercial intercourse between the subjects of Russia and China was prohibited in August, 1785; and by the annexed paper marked No. 2, dated the 22d day of April, 1792, the commerce and friendly intercourse between the subjects of Russia and China was restored. And this deponent lastly says, he believes the above documents to be just and true.

(Signed) JOSEPH FAWELL.

Sworn before me this

17th day of Jan. 1802,

L. K. Pitt, A. M. Chaplain to the
British Factory in St. Petersburg.

Witness, William Wilby.

Appendix, No. VI.

Affidavit of the same Deponent, referred to
pa. 59, *ante*.

Joseph Fawell, of the city of St. Petersburg, merchant, maketh oath and saith, that the paper hereunto annexed, marked No. 1, was extracted, on his application, from the archives of the custom-house of St. Petersburg, and was made and delivered to him by Clexey Trafilioff, the secretary in that department, and contains an account of some furs or skins which had been forwarded to the market at Kiatka, in the years 1783,

1784, and 1785, at which last period the trade and commerce between the Chinese and Russians ceased; that in 1792 the commerce and intercourse between the two nations being again opened and restored, the said papers contain a further account of some furs and skins which had been forwarded to the market at Kiatka, in 1792, 1793, and 1794; but this deponent further saith, that the said annexed account, as he is informed and believes, contains a very small proportion of the skins and furs employed in the trade to the Chinese frontier; for it contains only an account of those skins or furs for which certificates were granted on passing the Chinese frontier, to entitle the owners to a drawback at the custom-house of St. Petersburg, and that a great proportion pass the frontier without any certificate whatever; and also that a great part of the goods unemployed in that commerce are forwarded from Riga and other ports direct to Moscow, and join the caravans there. And this deponent further saith, that the paper hereunto annexed, marked No. 2, was delivered to him by Mr. William Doughty, who has been concerned in a very extensive commerce between Moscow and Kiatka for many years last past, and who procured the said extract from the books of a very old mercantile house in Moscow, extensively engaged in the above commerce, as he informed this deponent. And this deponent further saith, that at the time he received the said document, marked No. 2, the said Mr. Doughty added, that the said commerce was almost wholly carried on by way of barter, without specie, and

that for the goods they received in barter, they generally calculate on a profit of from 80 to 100 per cent. And this deponent further saith, that the above trade and commerce was prohibited and shut up by the Chinese Government, about four months previous to the orders issued by the Russian Government for that purpose, and was opened by the Chinese Government about three months previous to the orders issued by the Russian Government for restoring the commerce and friendly intercourse between the two nations, as appears by the annexed papers, marked No. 1 and No. 2, and as appears by the official documents, marked No. 1 and No. 2, mentioned in this deponent's former affidavit in this matter. And lastly, this deponent saith, that by the annexed paper, marked No. 1, it appears that skins and furs had been sold by the Chinese at Kiatka, and a certificate returned from thence to the custom-house at St. Petersburg, in June, in the year 1792.

(Signed) JOSEPH FAWELL.

Sworn before me this

22nd day of Feb. 1802,

L. K. Pitt, A. M. Chaplain to the
British Factory in St. Petersburg.

THE END.

ERRATA.

Pa. 3 line 12 read "through the salutary."

12 — 4 read "phænomenon."

13 — 15 after "evil," insert "the trade may afford."

30 from line 16 to the bottom *del* the inverted commas.

30 bottom line, for "extensively" read "exclusively."

31 from the top to the word "this" on the 8th line *del* the inverted commas.

FREE TRADE;
OR,
AN INQUIRY
INTO THE PRETENSIONS
OF THE
DIRECTORS OF THE EAST
INDIA COMPANY,
TO THE
EXCLUSIVE TRADE
OF THE
INDIAN AND CHINA SEAS:
ADDRESSED
TO THE GREAT BODY OF THE
MERCHANTS AND MANUFACTURERS
OF THE
UNITED KINGDOM.

LONDON:

PRINTED AND PUBLISHED BY J. GOLD, SHOE-LANE,
FLEET-STREET.

1812.

(Price Three Shillings.)

PREFACE.

THE design of the following pages was suggested by the necessity of directing the determination, and of methodizing the efforts of the general merchants and manufacturers of the country, to obtain a just and reasonable participation in the trade with the countries beyond the Cape of Good Hope, on the approaching expiration of the charter, in virtue of which it is now monopolized, but by no means adequately cultivated, by the East India Company.

The merchants and manufacturers are already sufficiently alive to the importance of an opportunity, which, if suffered to pass by unimproved, may never recur, for relieving the commerce of the country from the lamentable state of languishment and depression into which it has been brought, by the concurrence of a number of causes; the generality of which, are either wholly, or, in a great degree, beyond British controul.

The continental system of Buonaparte having, for its object, the total exclusion of British goods from the nations under the influence of France, may, perhaps for ever, deprive us of the vents for our commodities, which we heretofore found in those countries; and the uncertain state of our relations with America, although there is reason to hope that it will not terminate in war, may, if much longer protracted, lead to the establishment of native manufactures beyond the Atlantic, which would go far towards our permanent exclusion from the American market.

These being, in a great measure, matters of internal regulation, both as far as America is concerned, and as far as relates to the countries under the controul of France, it may not be possible to counteract the influence of the present system, even if a good understanding with those countries should be immediately restored; while the terms upon which that restoration should be purchased, may be such as to deter, on the first demand of them, even those who now most anxiously wish for the blessings likely to result from it if coupled with those mutual benefits which British equity always contem-

plates in such cases. But the trade now monopolized by the East India Company, is the actual property of the British empire; the legislature of the United Kingdom will be free to dispose of it at their pleasure, and as it shall seem fit to their wisdom, and their regard to the interest of the nation, as concerned in it, as soon as the period of the present charter shall have expired. This opportunity, this resource alone, is within our own power; we shall exercise an undisputed right in giving ourselves the benefit of it---and shall the nation, when such a benefit lapses into its disposal, at such a time, throw it again out of its hands, and bid the public sit idle, and prepare to perish with folded arms; while a select body, privileged to the ruin of the country, is allowed to carry it on with limited means, to a limited extent, and to be enriched amidst the general poverty, of which it will form at once the principal cause and the most painful contrast?

The madness of such a sacrifice is too obvious, to admit any determination in the public at large; other than that of which we have such ample, striking, and satisfactory evidence,

in the resolutions and petitions agreed upon, in all the principal ports, and all the manufacturing towns and districts of the empire.—But that determination is resisted; and attempts are made to answer it, by declaring that it is founded in total ignorance of the subject—in false and delusive views of imaginary interests.

The exclusive trade of the East India Company is presumed to afford to that body, and to its leaders, an exclusive knowledge of every thing beyond the Cape of Good Hope, and all others are conceived to know nothing; and, by an extreme perverseness of ignorance, to embrace falsehood for truth, and mischief for advantage!

This is a mode of argument, which, if once allowed to avail the Company, may be kept in force to eternity: for, if an exclusive charter gives the Company the means of exclusive knowledge, they will, of course, keep that knowledge to themselves, and keep the public for ever in that ignorance, which is to be, ever and anon an unanswerable argument for the renewal of the Company's monopoly.

The Company, in coming to moot the question with the country, has certainly the advan-

tage of local information, and of an established routine of business, not easy to be grappled with by men, who, with whatever understanding of the universal and invariable principles and rules of commerce---with whatever comprehension and force of mind, in applying those principles to a vast tract of land, and a multitude of nations, all presenting large openings for trade, may not yet be prepared to answer the cross-examinations of partisans, schooled in the details of the Company's factories in Hindostan or China, and prepared to puzzle with practice, when they find themselves incapable of replying to reason.

To supply this deficiency to the general merchant and trader, has been the principal object of the Author of the following little work; and that he has not bestowed his attention on this object, without cause; if not already sufficiently manifest, from the course of argument adopted by the Company's representatives, in the late negotiation with the Board of Controul, as it appears in the printed papers, containing the correspondence on that subject; and from the tone and language of the debates upon the subject at the East India

House; has been since most fully and clearly displayed, in the paragraphs inserted in the newspapers, obviously, by the authority, and at the expense of the Court of Directors, and by some of their collateral, and equally interested classes of subaltern monopolists. We allude to the appeal lately made in some of the newspapers, on behalf of the warehouses and warehousemen, the clerks, and labourers and porters, and the multitudes of other denominations of buildings, and of persons, employed by and under the Company.

To discharge those persons from their employment, is represented as a hardship, not lightly to be resolved on; and to render those warehouses useless, is spoken of as an act of wantonness, almost impossible to be committed by any one, conscious of its nature and amount. But those who argue in this way, can have no object in view, except to excite a local sensation, and to conjure up a local opposition among interested persons in London, for the purpose of counteracting the general sense and will of the country: for what substance is their in the argument, except as an appeal to interests and passions of this kind? And which is

more likely to find employment for warehouses, and for clerks and labourers—a limited monopoly, or an extended and expanded commerce, carried on with all the liberality and animation that belong to the character of a British merchant, when not sophisticated and restrained by the combination of characters and relations wholly foreign to the spirit and genius of trade.

, The same answer may be given to a sort of selfish remonstrance sent forth on the occasion, by the ship-builders and owners, who are in the habit of supplying tonnage for the Company's trade: for, let us ask these men for a moment, whether the shipping interest, even of the Thames, and that too, even if the trade should in the import, as well as the export line, be thrown open to the other ports as well as to London, would not be likely to be materially benefitted, instead of being injured in the smallest degree, by such a change. Let them answer, if they can, or if they will, whether the trade with the countries beyond the Cape of Good Hope would not, if so thrown open, employ ten, aye, twenty, tons of shipping, for every one ton that it employs at present?

These arguments, weak as they are, put forth so studiously by the Directors, and their dependants and co-operators, evince their alarm, and shew by what arts they will endeavour to oppose the claims of the country, and to excite the opposition of other bodies to them. They shew also the necessity that was foreseen by the Author of this publication, for confirming the purpose, justifying the resolution, and invigorating the efforts of the general merchants, so as to enable them to meet, with effect, the opposition they will have to encounter, by particularizing their objects, and elucidating them with those views, which the information gained, and the observation afforded, and the reflections suggested to an unprejudiced mind, by a local residence, can alone furnish. The author is not an enemy to the Company; on the contrary, he wishes the Company well, but he wishes the Country better; and if an alternative be put, as it is in the present instance, by a narrow and mistaken spirit of self interest on the part of the Company, whether the Company's monopoly shall be preserved uninfringed, to the ruin of the nation; or the national interests shall be duly attended to, and incalculably benefitted and promoted, by re-

stricting the Company to their proper occupations, and to their real and natural character, he cannot hesitate, in that alternative, to embrace the side of the nation. If his humble efforts shall afford any instruction to those charged with the management of the public interests, and to the public at large, who are to be the main support of the opening of the trade, he will feel pride in the consciousness of having contributed to one of the greatest advantages ever conferred upon the country, or upon mankind.

FREE TRADE;

OR,

AN INQUIRY, &c.

AN important era has arrived, when the lease, which restricted the commerce with an enormous portion of the globe to a particular and very limited class of men, to the entire exclusion of the general body of the merchants and traders of the British empire, is near its termination; and the rights, comprehended under that lease, are about to pass from the hands of the East India Company back into the possession of the nation at large—either to be delivered over again to those who have hitherto had the sole use and management of them; or, to be retained, as public property, for the general benefit of the country, and those of its citizens, who may be disposed and qualified to profit by so great an expansion of commercial opportunities. To what a crowd of important considerations does this incident give birth! and how grand and weighty is the alternative into which these considerations re-

solve themselves ! and, we think we might venture to add, even at the outset, how little doubtful the determination upon that alternative to any wise and unprejudiced mind ! The property which the country has leased out, being now, upon the expiration of the term for which it was let, about to revert to the public, who are the proprietors, it is to be considered what part, if any, shall again be impounded in the hands of the lessees ; and what part, if not the whole, shall be retained by the proprietors, to be farmed by themselves and their general agents, for their own benefit. To this inquiry the present work will forthwith proceed.

Abandoning, at present, all discussion as to the propriety of the Company's further full enjoyment of the empire of their Indian territories, and waving, at the same time, any idea of examination into the views of the government, or of the country, in respect to the regulations to be introduced into the statutes for further continuing their territorial dominion, and the circumstances connecting themselves with it, as they regard the natives of India or the national character of Britain, or the interests of the Company—it is intended to confine the present investigation to the simple object of the trade.

To pursue the investigation of this subject comprehensively, it will be proper, first, to take a very

summary view of the circumstances out of which the Company's trade originated.

It will not be necessary to follow it from its minter sources to its more improved state, when it was expedient to secure it by charter; suffice it to say, it began and arrived at this stage in the usual course, and the ordinary commencement and progress of commerce. Nor will it be requisite to talk of the rivalry it experienced in a second chartered company—which found it convenient, afterwards, for mutual benefit, to mix its stock with the first, and to become a joint stock company; on which joint capital the trade has been ever since carried on.* As the importance of the trade increased,

* At the period here adverted to, the mercantile glory and prosperity of Britain had not, in any branch or department, reached that meridian splendor which they have now, long since, in every point, attained. They had, in fact, only just shewn themselves upon the surface of the waters. Private individuals did not dare to undertake distant voyages, or to risk expensive adventures. All enterprises of this kind were invested in companies, now almost wholly extinct. Besides the adventures carried on by the Indian, and Levant or Turkey companies, and a few others similar, in corporations, there were scarcely any that could dignify the adventurers with the name of merchants. That the East India Company should be, under such circumstances, allowed to establish its exclusive trade, is not surprising; that it should be allowed to continue that trade thus far, is, perhaps, reconcileable, though not easily so; but that it should pretend to a further continuance, without any participation on the part of the public, is unreasonable and astonishing.

the Company found it necessary to increase their *local establishments* : thence arose large factories ; and, as new rivals appeared in foreign companies, these factories were surrounded by fortresses, and the British Company were allowed, by the indulgence of Parliament, to raise slender forces, to sustain their commercial establishments. But the factories, and forts, and forces, were granted with a view to *trade*, not with the view to enable the trade to introduce, as it has since happened, an approach and an inlet to territorial acquisitions. But the incidents, in process of time, became more material than the direct and principal object.—The increase of territory, as it opened a field for patronage, was, at first, regarded as a valuable gain ; but, in process of time, as foretold by the great Lord Clive, turned out to be the Company's bane, and produced evils, particularly in the Indian territorial debt, now nearly thirty millions, together with a debt of several millions in this country also ; which more than countervail a large nominal revenue. But, according as this debt has accumulated, the beneficial trade, which was the grand object of the institution of the company, and of the continuance of its exclusive privileges, has declined. And here it may not be amiss to recommend, as a point and principle to be always recollected, that the Company was instituted, not to give its subscribers and stock-holders the power or the right to acquire empire, nor the opportunity

of sharing large dividends, but in order to open a vent for the national manufactures, and to supply our home consumption with useful articles, and the comforts and elegancies of life, in abundance, and at reasonable rates. At every step and at every point of this enquiry, therefore, the reader should pause, to ask—how far these objects have been fulfilled?

But, to avoid all discussions not immediately connected with the subject under contemplation, we proceed summarily to observe, that the consequence of conquests has thrown into the Company's hands an immense expanse of country; running many hundred miles into the interior of India, from the coasts in the Indian ocean; extending, on one side, from Cape Commorin, beyond the Persian Gulph; and on the other, from the same point beyond the Ganges, as may be seen by a reference to the maps; comprising an extent of coast of many degrees, in no one point of which is it possible for a ship to land a cargo, except on the Company's territory; for it is impossible to regard the petty Marhatta states on the Malabar coast, and the kingdom of Travancore, lately subdued by the Company, and reduced to a state of perfect vassalage, in any other light than as provinces and parts of the Company's empire.

There are, also, surrounded by the Company's possessions, other territories of native powers, which it is not necessary to describe particularly, little

inferior, in respect of extent, to the Company's. These countries may be said to be relatively in the Company's possession, for the purposes of trade, there being no mode of access to them but through the Company's territories—no "*common way*."

The subjects of the Company, inhabiting the provinces comprehended in their actual empire, amount, including the new conquests, to four times the population of the United Kingdom; and the population of the countries to which the Company's territories command, or from which they preclude, access, is not less numerous.

These vast tracts of land, comprising nearly the whole Indian Peninsula, and the inhabitants of these tracts, may be viewed, under the circumstances of the existing charter, as the first objects of the Company's commerce.

The Company have not only been permitted to acquire these territories with their revenues, and to prosecute a trade within them—but they have been allowed to pursue their commercial speculations to every part and place eastward of the Cape, and to consider them as much their own as the territories just referred to; excluding from them the rest of the mercantile community, of which they are only a part.

When the exclusive right of trade with India was first granted, the whole of the Indian, and the principal part of the Pacific Ocean, were given up to the Company, as a field for speculation; the value

of which was not fully comprehended, and remained to be ascertained. The public, not prosecuting it, had no means of knowing its worth, and could only learn it from the wealth, or appearance of it in the Company's representatives. The Company were cultivators, bound to foster, to improve, and to mature the trade; and favoured with advantages, sufficiently productive, to reward them for the honest and faithful discharge of these obligations. The advantages conferred upon the public by the Company's exertions are not so easily discernible; those gained by the Company itself are obvious.

As, from time to time, the public became acquainted with the advantages enjoyed by the Company in the monopoly of the trade, proportionate sums were demanded for the renewal of the charter; and it was not, in any instance, renewed without some immediate contribution towards the exigencies of the state, or some promise to that effect.

Such has been the course of things hitherto; and, from the conditions which we have just noticed, as forming the consideration insisted upon by the country, in every successive arrangement, a consideration uniformly increased till the present occasion, it is obvious that the country, at the expiration of every period, felt itself entitled to dispose of the trade according to its pleasure and its sense of its own interest; and if the option of making a fresh grant to the Company has been always hitherto preferred, the variation of the benefits re-

served manifested always the intention and the right to make a bargain, upon terms of advantage satisfactory to the grantors; which, of course, conveys a sense, or a persuasion of a right to give or withhold altogether, according to circumstances, as well as a right to grant, upon satisfactory terms of remuneration.

These considerations bring us of necessity to the sense and persuasion of a right to exercise a perfect freedom to grant or to retain a new lease of the trade—to grant or retain it in any limited extent, and subject to any conditions and reservations that it may be thought reasonable in the grantors to prescribe, and prudent and profitable in the grantors to submit to.

For the Company, the charter may now be supposed to expire at an inconvenient time. Mercantile views, in general, have become more enlarged; and, in proportion as they have enlarged, the field for trade, from political circumstances, has, unfortunately become, in the same degree, narrowed.

Both these causes operating together, have excited an opposition, a very natural one, to the Company's monopoly; under the idea that, if it were abolished, a large expanse would be opened to mercantile adventure; not only as it respects our own immediate interests, but our indirect good, through intermediate trade with other countries; the effects of which, it is thought, would be reflected back on the country.

The public are, therefore, clamorous for *partici-*

nation in the Company's trade; for, as yet, there is no alleged pretence to annul the joint-stock course followed by the Company, intermixed, as it is, with their corporate rights; which, in all probability, will not be infringed upon.

But the Company, not content with this probable indulgence, insist that certain branches of the monopoly should be continued to them, and more particularly the *China trade*; and they insist further, that the licensed trade to be extended to the public, should be put under certain restrictions, which would, if imposed, involve private traders in much needless expense and vexation, in order to reduce their commerce in certain particulars, not only to a level with, but to place it under the Company, and to load it with incumbrances, which would render the prosecution of it almost impracticable.

To these suggestions, the Board of Controul appears to have lent rather a willing ear; and there is reason to apprehend, from the connection of the Company with that Board, and of that Board with the Ministers, and of both with Parliament, in which they and their respective adherents are so frequently bound and actuated by common and responsive interests, that, combined and formidable efforts will be made, to deprive the general mercantile interest of the nation, of the whole, or the most important parts, of the rights devolving to it, on the expiration of the charter;

or, if any part be conceded, to shackle it with such conditions and arrangements, as to render it wholly useless and unproductive. To prevent a combination of this kind, from defeating the grand efforts now made by the merchants and manufacturers of every port, every town, and every district, should be the object of every friend to the freedom and prosperity of trade, and to the welfare of the country; and to give facility and effect to these efforts, is the chief motive for putting together the suggestions contained in the following part of this work.

If the country shall be properly roused to a sense of its interests and its duty, and shall speak its mind, with becoming energy, and maintain its resolutions with proper firmness, no combination can resist it. The voice of the nation must prevent the council of the nation from alienating the nation's rights from the nation itself, to a small part of the nation, and to a narrow and insulated class of its people.

From what has been previously observed, it appears, that the Company's monopoly, as at present existing, consists of *two kinds of trade*:

1st. As to the Company's own exclusive territories.

2dly. As to neutral or friendly countries, within the precincts laid down in the charter, and confirmed by statutes.

To the first, if they be permitted to keep their

territory, as it now stands, they suppose that they have peculiar claims, which remain to be considered.

To the second, we have not yet heard of any pretension, which does not equally belong to any subjects of Great Britain, as well as the Company, on the expiry of the charter.

But to take a hasty view of the first description of commerce—

It is to be carried on, as it will be observed, with the subjects of the Company *principally*, over whom they exercise sovereign power. The Company, or their agents, for it is the same thing, instead of being satisfied with trading solely with this immense population, to which their factories gave them access, have thought proper to subject them to their *rule*; which rule in the East is completely arbitrary. They have taken the territory and the revenue—they have monopolized the sale of the most valuable articles of internal consumption, such as salt and opium—and have hitherto retained, and wish still to retain, if not all, at least the *chief* articles of external commerce—precluding others from purchasing or exporting such articles. So that the Company, as sovereigns, can place what duties and imposts they choose, in the first instance, on the trade of their subjects, and would afterwards forbid them from trading with any other than themselves, or such purchasers as they would prescribe;—and yet they tell one of

their tender love and affection for their native subjects! What must be the condition of such happy subjects, either for the consumption of exports from other countries, or furnishing manufactures for foreign markets?

It is not within the view of an inquiry of this kind, intended merely to sift the grounds of the Company's pretensions to a renewal of their monopoly, and to assert the general rights of the national merchants, and, in pursuing these objects, to be as little polemic as possible—it is not within the view of such a work, to question the sincerity of the tender affection professed by the Company towards its native subjects; further than this, that as such a profession has been brought forward, coupled with a severe and groundless general charge, in argument for the exclusion of the general merchants from the commerce of India, it is rendered almost indispensable not to notice, and to reply to it. We must therefore ask, in such a state of things as we have described, and which are the most striking features of the condition of the Indian subjects under the sovereign company—will any one stand up, who affects the least regard for the natives of India, the present subjects of the Company, and raise his voice in favour of the Company's proposition? In their character of sovereigns, *Eastern* sovereigns, they are wholly incapacitated from acting as *merchants*—the two characters cannot co-exist, without the ruin of

the people; and, consequently, without rendering them unprofitable subjects for trade of any kind.

Surely, the Company might content themselves with drawing revenue from its subjects; and, as the condition of the people should be ameliorated their finances would keep pace—and bright commercial prospects to the one, and a full exchequer to the other, would break forth like meridian sunshine from a cloud of darkness.

We cannot help viewing this proposition, made on the part of the Company, mixed as it is with territorial sway, most unjust and preposterous. Instead of *struggling* for this branch of trade, in exclusive enjoyment, they ought to lose no time in *renouncing* it*; and to vaunt forth this for-

* The impossibility of extending the export trade to India, alleged on the part of the Company, is certainly not devoid of plausible grounds, considering the settled habits, the established frugality, and extreme poverty, of the greater part of the natives. But it is, at the same time, to be remembered, and remembered particularly by commercial men, that the expansive influence of commerce has wrought changes still more extraordinary upon nations, than the general introduction and consumption of British commodities among the nations of India. Who could have expected, two hundred years since, that the beef-eating and beer-drinking people of England would relinquish the food and the beverage in which they had a particular pride, conceiving them to be the chief sources of their strength and vigour, and that they would have turned over, almost universally, to the use of tea, the millions of pounds weight and pounds worth of which annually imported, form the chief source of the East India Company's gain. It is, besides, to be

bearance, as a reason for claiming indulgence in another branch of trade, to which, as at present informed, we cannot perceive that the Company have the shadow of pretence. But, under the

considered, that these same natives of India, so poor, and so unalterable in their habits, are made to contribute most mainly to the Company's revenue; first, in the article of salt, which is the only thing they can use, to give a flavour to the insipidity of their rice—and, secondly, in the opium, the intoxication of which, serves to furnish them with a temporary oblivion of their wretchedness. The Mahomedans, moreover, who form a great portion of the population of India, are a people of splendid taste and sumptuous habits, having at their head most of the native princes; and being, in general, very opulent: and they, at all events, are likely to be, and are, in fact, at present, large consumers of British manufactures.

The article of tea, now grown into vast and unexpected, at first highly improbable, and even at this day, scarcely reconcilable, consumption, has enriched the Chinese farmer and merchant, and afforded large supplies to the Chinese government.

To the East India Company, it affords profits sufficient to counterbalance their losses on the other branches of their trade, and to distribute large dividends to the holders of East India stock. To the British Government, it yields a vast revenue; and to the British people a refreshing beverage, so cheap, as to be easily accessible, even to the poorest amongst us. It is not to be expected, that an article of the same universal attraction to the natives of India, should be immediately discovered, and sent out from this country. But it is in the nature and spirit of unfettered commerce, to excite new wants, and to provide the means of supplying those wants; and with so large a field as India to act upon, there is no doubt that a general trade will find means of creating a general consumption of articles; the supplying of which, will be highly profitable. This subject will be more particularly touched upon hereafter,

pretext of securing this foreign object, so widely distant from any of their actual possessions, they would find a reason for shutting out the general British merchant from scenes, the natural and open sources of adventure to him.

This brings us to the inquiry as to the second branch of commerce, which the Company would reserve—namely, the *China trade*.

This trade originated in the ordinary way above shortly noticed—being accidentally within the precincts from which the people are excluded. This, contradistinguished from the trade with India, cost the Company nothing in acquiring. It is not a wrought article, where the materials are cheap, and the workmanship gives it value, but is a common, simple, natural object of commerce—ready to the Company's hands, and to the hands of every people, almost, in the civilized world. All the European nations of eminence, and some Transatlantic, have factories in China, which they have been permitted to erect; and, through the means of which, to carry on a permissive trade with the wary Chinese.

The Company conduct it in the same manner with others; and we do not know of their having any very striking advantages over other nations. Of this we are certain, that in a late case of emergency, in checking a piratical and insurrectional expedition of its subjects in the China seas, the government of China called in, not the English, the presumed favourites, but the miserably weak

Portuguese, who, to render the assistance required, were obliged to borrow the naval means, at second hand, from the English ships then in the Chinese ports and seas; and this jealousy of the Chinese towards the Company, has been proved to be not without reason, by the conduct of the Company's government and officers, in endeavouring to hold military possession of the port of Macao.

The trade with China having been established, without any sacrifice on the part of the Company, and having been so conducted by them, as not to claim any favourable consideration for them, on the part of the Chinese, no possible ground can be imagined, for the Company's inordinate pretensions to a further monopoly of it, except, perhaps, the establishments they have thought proper to form, for the purpose of carrying on the intercourse. The factory erected by the Company at Canton is, no doubt, very costly and splendid; and it has been made the means of provision for the sons, and other immediate relatives of the Directors: for the appointments on that establishment are retained specially for those persons, and handed down as a sort of heir-loom from one set of Directors to another. With this view, a palace, rather than a warehouse, has been built; and a princely institution founded, for the maintenance of which, a suitable revenue has been assigned. And for what, we will ask, is this expensive and luxurious institution created? Why, to enable the Company's

supracargoes to pass, in easy and convenient state, the progress of the *trading season*—the permitted period of *the Fair*—whence we are to see them banished the moment their stalls are taken down; when they are glad to find a shelter for their heads in the hospitality of the Portuguese, on their island of Macao.

But these splendid appendages, however convenient it may be for the Company, or rather their Directors, to retain them, are not necessary to the well-being of the trade; and, therefore, not necessary for the public to concern themselves about, unless they shall be set up, as we suspect, as reasons for continuing this traffic in its present channel.

The only ground yet assigned by the Directors, for none has been offered by the Board of Controul, is, that it is a very dainty or delicate sort of trade, and ought not to be thrown open to the vulgar. But every other nation of the earth prosecutes it, and have address enough to carry it on successfully—and who shall argue, that the English have no capacity to the same end? They who venture to insinuate this, are the last people from whose mouth such an objection ought to issue; since they, alone of all others, have so conducted this traffic, as to risk the further permission of it to the country, by involving themselves in serious misunderstanding with the Chinese government.

The Company have been more than once in

danger of losing the trade altogether, from the haughty carriage of their officers, who assume a port and bearing quite above all other merchants; and, if they had lost it, or if being, which is scarcely possible, allowed to retain it now, they should be excluded from it, in consequence of any future abuse or misconduct, would it not be an extraordinary circumstance, if the country should still be restrained from taking up the commerce? Yet that consequence, strange and unreasonable as it is, must follow, if the monopoly be now again conceded, and the Company should, in the event of any dispute, be excluded from the Chinese ports: yet under these circumstances, and without any well founded right, the Company, it seems, would keep this branch of trade to themselves, and would endeavour to persuade the Board of Controul, but seemingly without success at present, to convert it into a means of precluding British merchants in general from trading with the coasts to the eastward of the Bay of Bengal, and the cluster of islands in the Eastern Archipelago. With what pretensions the Company would reserve such parts of their present exclusive privilege, as we have now shortly adverted to, has been sufficiently shewn.

It is true, that in compliance with an intimation from the Board of Controul, the Directors have, reluctantly, consented to admit the public to a participation of the first description of commerce,

at present enjoyed by the Company; yet the participation is to be partial, and under restrictions, and for supposed causes, which we may hereafter advert to.

It has already been shewn, that the company being sovereigns, ought not themselves, even on ordinary principles, to trade at all with their own subjects. This maxim is established beyond all question, by writers of the highest authority; among whom, we suppose, it will be sufficient to mention Dr. Adam Smith. Without dilating, therefore, on a point already fully proved, let us consider what part of the Indian trade the Company would exclude the public from, viz.

the *trade in piece goods,*

————— *raw silk,*

————— *salt-petre.*

The first is the principal export from India; and there would seem no good reason, when the trade is thrown open generally, why this should be reserved, or indeed either of the other articles, unless it can be shewn, which is not now apparent, that there is some good reason for the exception. As to the latter article, indeed, it is said to be of a political nature; obvious enough, if it be founded on any solid ground. But we own, we feel some surprise, (being willing, however, to give the Company credit for liberality) that they should lay a claim to such privilege; since we see no less a sum than 400,000*l.* stated as a loss on the supply of this article to the public service, within

the period of a few short years. It would seem a little curious, if we did not know the extent of the patriotism of the Company, that they should contend for retaining to themselves this annual loss!

Having shortly examined what they would *retain*, now let us see what it is that they would *cede*, and under what *conditions*. If we are astonished at the extraordinary pretensions of the Company, we are doubly moved at the colour and extent of the restraints, to which they would subject that portion of the trade, which they are inclined to grant; which, if accepted, and pursued in the course prescribed, would be a left-handed present.

To take a view of the positions of the Company, in respect to this species of trade.

They lay it down as a principle, and which they claim some liberality in broaching, that they are not governed by commercial jealousy, in what they are about to cede; for, in fact, there is no reason for it, since "the Indian trade, as an *object* of *gain*, has gradually ceased to be of importance to the Company or individuals." If this were true, the retention of it, surely, is not worth a contest; and more especially, since it cannot be retained with advantage to their subjects. This should induce the Company, instead of inventing restrictions, to hold out encouragement to the country. Why, like the testy and invidious animal in the manger, withhold from others what

But though the Indian trade may not be worth having, yet it is politic, it is said, to keep India untrodden by a British foot. And hence a hundred evils are conjured up, to deter us from the admission of Europeans into the country. But how are they to carry on trade at all, and with what prospect, if they be not to accompany, and await the disposal of, their goods? How are they to sell their exports, or to purchase or provide a returning cargo?

All these objections, giving them what colour the Directors please, found themselves most declaredly in the jealousy of that body. They may say, (but who will believe them?) that they are only intent on advising the merchants of England against their own silly plans, arising out of the supposed profit of the trade to India; it will be found, it is to be lamented, on examining their arguments, their statements, and exceptions, that they are founded in no better passion than described, or in motives intimately connected with it. And hence spring, not only the restraints which they would devise for the traders to India, but they would follow them with similar incumbrances, through the whole course of the adventure from England to India, and from India back again to England. But to investigate the foremost string of restrictions, as they respect the part of the adventure to be conducted in India.

They would, in the first place, not allow any

merchant to *domiciliate*—and wherefore? Because, in the apprehension of the Directors, these men might be expected to colonise. Is there a greater fondness for emigration in Englishmen than in men of other countries? Contrary to the known passion of all islanders for their home, would these men unnaturally abandon their native country, and their laws, and for what?—

For the privilege of breathing, if they have so bad a taste, the tainted and *feverish* air of India—

For the purpose of putting themselves under the government of the Company, in preference to that of England—

To renounce the blessings of nature—and to scorn the best security of human happiness—together with the comforts of society—for the sole purpose of travelling to, and sojourning in India, for India's sake: for the Court of Directors say, that there is nothing to be got by commerce in India. As the inducement, therefore, to go thither, will soon be found deceptive, there is no doubt that the dreaded effect from going thither will cease with the cause. The evil apprehended, would, in this way, soon cure itself.

But the *climate*, without any other circumstance, may be supposed to be a sufficient check on colonization. To learn that this is not mere *theory*, we need only look to other countries, who have had authorised establishments in India. Have the French or Dutch colonized there? And as to the

few who actually domiciliated, what has become of them? and what the effect produced to the mother country, while they sojourned there? What even of the *Portuguese*, the earliest settlers in India, and whose governments were more colonial than any other of later years?

This would seem to afford a sufficient *quietus* to the fears of the Company, on this ground. Phantoms to terrify themselves! What has been now said, may also tranquilize the Company, as to the apprehended *operation* of persons flocking to India upon the native subjects of the Company. For who are the persons, and what their description, who may be expected to emigrate, with a view to colonization? Will they not be persons of high mercantile rank, fortune, and character, rather than artizans and workmen? What temptation would the latter description have to undertake such a voyage, where labour, of every kind, may be, and is, performed by the natives, under the direction of *European* masters, with as much skill and success as in this country; and when those masters will, assuredly, cause their work to be executed in the cheapest manner possible? The influx, therefore, of Englishmen, or other Europeans, or Americans, into India, cannot be supposed to be considerable; and the class of persons who are alone likely to settle, are of a description, from whom nothing is to be apprehended.

It is admitted that there is a certain degree of

delicacy to be observed towards the natives, who have many religious prejudices and peculiar habits, that forbid the close contact of Europeans. Still, however, they maintain an intercourse, though not a very intimate one, with Europeans of every denomination.

The French, and Dutch, and Portuguese, have been able to support such intercourse with tolerable success. Some of these people, of late years, have sought to extend their natural intercourse, and have travelled far and wide in the interior, and have sojourned with powers, such as the Marhattas, the Mysoreans, and with the people of the Deccan.

Have not those adventurers been able to amalgamate with the natives, and live in peace and amity with them? There is nothing, then, *impossible* in such an union; on the contrary, experience shews it is very practicable.

But it is supposed, by the Directors, that Europeans, let loose on the Indian continent, would stir the chiefs into constant warfare. Does experience warrant this conclusion? Have the French less intrigue than the English? Or has this been the distinguishing characteristic of them in their connection with the native powers, whom they have occasionally served? It may be confidently asserted, that no native prince would have suffered them to exist, for a moment, in his country; if they had favoured insurrectionary practices among

the chiefs of his own territory, or would have lent an ear to their advice; if it accorded not with his own views and interests. A contrary conduct would have been, as far as regards the policy of the native prince, or, indeed, the French, *felo de se*. Each adventurer might promote his own particular interests; but this would not be done without an appearance of serving, instead of overturning, the state in which he domiciliated.

If it be meant to infer that the English would take service with native states, and spur them traitorously on to hostilities with British India, we must have better evidence than an unmanly and illiberal insinuation, contrary to all experience, to found our policy upon.

But with whom is it intended that the British adventurers should domiciliate, or where do they lay claim to it? with the Company's subjects generally, and in the Company's territories. They would, too, during such domicile, be under the particular regulations of the Company, and, what is still more effectual, under the British law; visiting, not only all possible offence committed by them within the Company's peculiar territories, but in those even of their allies. These laws also have given a local tribunal, having cognizance of such offences. If, too, the legal ordinances, actually in force, were not sufficient to embrace every description of crime, it would not be very difficult to adapt them to the new state of things, on the extension of the intercourse of England with India.

Thus the penalties of the law would have the same effect, if not a greater, than the relation now subsisting between the Company and their servants, and would check any insult likely to be offered to the natives. But, if this insolence is so much to be dreaded, how does it happen that the natives are exempt from it under the visits and the authority of the Company's troops and civil servants of every class (including the youngest writers and cadets, and even private soldiers)? These persons go, not as humble and industrious traders, having to recommend themselves by their orderly and attractive conduct, but present themselves in all the imposing pomp of power and office; and, if *they* do not exceed their authority, is it to be apprehended that an excess will be committed by men, bound as the new adventurers will be, by every obligation of interest, to conduct themselves peaceably and inoffensively? If the common servants of the Company can be relied upon for such conduct, cannot the same reliance be placed on independent and respectable British merchants!—We should almost blush to ask the question.

Before quitting this subject it would seem fit to answer a possible objection that may be started, as to the probability of British subjects passing the boundary of the Company's territories, and taking up a residence in neighbouring states. That this is not very likely to happen in any great degree, one might undertake to state gratuitously;

and on a parity of reason, as explained in the case of supposed general colonization. The different armies which the Company possess all along the frontier, in the shape of subsidiary forces, in the territories of friendly powers, and of residents and spies at foreign courts, would render any transgressions over the Company's limits, if it be desirable to guard against them, a matter almost of impossibility. • It would be a work of labour and of art, travel which way they would, for British adventurers to pass, without the notice and, as at present, without the permission of the Company.

There is, however, this particular restraint upon it—the jealousy of the native princes—who could never, it is imagined, be inclined to give privileges to such settlers, beyond those enjoyed by their own subjects, or to put them in possession of offices that should tempt them from the British protection. Besides, it may be asked, who would voluntarily place himself permanently under the capricious tyranny of eastern domination, which, however varied in its mode, is, in substance, always arbitrary?*

* There have been adventurers, English as well as French, who have escaped over to native princes; and what have been their reception and fortunes? Some of the latter, indeed, such as *Deboigne* and *Perron*, who have had high military command, may be supposed to have had an envy of the British pre-eminence, and to have been stimulated to means, under the advice and commands of their government, to diminish it.

These short observations would appear to be enough, at present, for an answer to the fears of the Honourable Court of Directors—the apprehension of colonization, as affecting their own interests—or the interference of Europeans, if allowed to follow their merchandize, personally, with the Company's subjects.

A word or two is now intended to be offered, as to the tender concern of the Directors for the British merchants, who, it is feared, might be seduced by false appearances, to enter into Indian speculation.

if practicable. But have these most fortunate adventurers ever ventured on insulting or provoking the English power? or have they dared to recommend it to the princes whom they served? On the contrary, on the first breaking out, or shew, of hostilities, they have sought to send their private property to the treasuries of the East India Company, and have, themselves, followed on the first available opportunity. If such men, with their antipathies to the English, cannot be trusted by the native princes; it would hardly seem very probable, that they will confide more implicitly in Englishmen, who may be imagined to have a contrary bias—But, allowing that they may be conceived as traitors to their own country, which the objection presumes, will this be a ground of confidence to the new prince whom they would serve? How do the Directors judge of the intellects of the native Princes!

But when and by whom has the fugitive English adventurer, accompanied by no character or national protection, been admitted to the service of the native princes? or, if admitted, to what rank has he attained beyond the lowest grade of command, except with the permission of the Indian governments? No one instance to the contrary can be quoted; hence the apprehension of the Directors would appear to be chimerical.

It is stated, that the natives of India, in general, have but few natural wants ; which are easily satisfied ; or, if they had *artificial* ones, that, commonly speaking, they have not the means of gratifying them ; that they are, in the *bulk*, a poor race ; and, though there may be some wealthy individuals, that their religious usages and civil customs will not let them purchase many European articles ; and those that they want, or are inclined to use, are very scanty, such as woollens for the cold seasons, and a small quantity of *unwrought* metals. This is said of *all* the Indian people, without respect to their different religions and casts, or their local situation. These, in point of fact, are almost as various as the territory they inhabit ; and it would be difficult to lay down a rule which would include all. But the *Hindoo*, or Gentoo, the most scrupulous of all, does not refrain from availing himself, so far as his means extend, of our manufactures of luxury, as well as necessity. He is a constant purchaser of European carriages, of articles of jewellery, of glass, and of ornaments of every description ; nor is he, in any way, forbidden from the general use of them ; though, in particular *Household utensils* he would prefer, perhaps, Indian manufacture. It is no uncommon thing for him to purchase even English cloths ; and when they are procurable, the *stuff shawls* of this country, as being cheaper in price, though inferior in quality, to those made in India.

If, in the interior of India, the natives of opulence had more frequent opportunities of seeing our luxuries and conveniences, and which they would have if Europeans were more extensively, than at present, permitted to sojourn among them, there is no reason to doubt but that a desire for them would be excited in the natives, which would lead to an extension of trade.

But the principal cause of the defect of exports from this country is, first, that it would cost the Company too much trouble to seek to extend them, by exploring new sources, when their attention is required by matters producing immediate advantage; next, that the *instruments* employed by the Company are not *mercantile*, none of their servants having a merchant's education, and not many of their Directors having been schooled in trade.

But what is the export trade of India, and who conducts it?

Putting the exports, consisting chiefly of *cloths* and *stores*, for the use of the Company's own establishments, out of the question, the rest consists in articles exported by individuals—principally by the *Company's officers*.

And how is this managed? Why, it is put into *godowns*, or warehouses, at the presidencies; and the captains of ships, and officers, splendidly dressed, and bearing a high rank, unacquainted with, and superior to, traffic, will not condescend

to go behind the counter to dispose of their investments, but leave their commodities to be sold by Dubashes, or Banyans, native traders, who may be found on the spot; who retail them out in the settlement, and answer for the debts, taking a percentage for their trouble. The officers get, in return for their articles, what the rapacity of these men chuse to leave them; who also exercise the same power over the cargo to be purchased for importation. Nor can the captains and officers suffer their eye to be taken off these honest agents for a moment; so that all is terminated on the spot.

In the walk of trade the native stands not in need of any protection; being generally found to be a full match for all the cunning of Europeans.

It happens not much otherwise in private consignments; only here the European resident at the presidencies, and the free merchant, knows his native agent better, and exercises his own judgment as to the credit to be given, and has a greater advantage in buying the returning cargo. But *he* cannot go ten miles from the presidency, without especial permission from the local government; and such permission is rarely given, if requested.

Is it to be wondered that no new sources of commerce are discovered? or, is it to be expected that any could be found in such a system of trade?

But it is advanced that others, such as the French and Dutch, who allowed of a freer intercourse with their own and foreign native subjects, were not

able to find or force markets for their exports. Now what were their local means? The *Dutch* never had but a mere footing on the sea-coasts, and had no means of intimate communication with the interior. They had not the manners, nor show, nor spirit, commanding the notice of the natives; nor had they the consequent influence. Their views, too, were abstracted from the continent of India at an early period, and 'fixed, more properly, as a mercantile body's should, on the islands in the Indian seas; where they have, since kept up a lucrative trade. The case is dissimilar from the English.

As to the Americans, they have never had a factory, nor a foot of land; how, then, could they create new branches of commerce, or extend the old?

The French are not to be regarded as a mercantile people; and their aspect to India has been principally political; nor have they, besides Pondicherry, surrounded by a narrow screed of territory, any important passage to other Indian states; nor have the English, until years somewhat recent, had so general a communication. It has been noticed that, though they have had commercial means, they have not employed them to any large extent, nor sought to increase them. When, however, they have acted on these means, it has been at such cost, and on such principles, that it has been impossible to expect any

great benefit to result from them. Look at their commercial residents, factors, and their boards of trade, with their dependencies out of number, and then consider what the Proprietors are likely to gain from commerce, passing through such multiplied hands !

Are we to take the success of the Company in their speculations as a criterion of what the trade might be in the hands of those accustomed to its management ?

The argument built on the trade from port to port in India proves little, if any thing: for this would, naturally, be accommodated to the wants of India, insuring a quick and constant return—rather than to England: whether the trade must be carried on in English ships, chartered by the Company, and by prescribed persons and ways; which would make the British branch of it not only hazardous, at all times, but at no time worth the prosecution. If the Indian trade were to be thrown open, the beneficial effect of the *coasting* trade would be, at the same time, discovered. The one would necessarily serve the other.

What has been just observed will answer any argument arising out of the circumstance of the public not having availed itself of the tonnage of the Company's ships. Who would send their goods to such a market as has been described? none, certainly, it may be averred, with the least notion of mercantile principles.*

* What encouragement the Company's tonnage has given

But the East India Company prefer a claim for providing such a medium of commerce, which has been taken up, it seems, beyond the æra of their charter. But, if they have made a wrong speculation, as to the continuance of it, this, like all other losses in trade, should be borne by themselves; at any rate, it cannot be stated as an obstacle to admitting the public to their own indisputable right—the benefit of the Indian trade.

The grounds have now been slightly examined, on which the Directors have mainly rested, in opposing the opening of the trade with India; for it has been shewn, it is hoped, that they are not tenable on the principles avowed: that it may be carried on without offending against the policy, on which the Company have acted, or without improperly affecting the Indian community; and that there is no need of those restrictions, in India, to which the Directors would subject it.

To view the articles of trade a little more closely, in order to discover, which is sometimes doubted and sometimes half admitted by the Directors, whether the trade promises to be productive, *i. e.* whether the game be worth the candle.—

It has already been noticed, that it may be expected, that the skill and industry of private merchants may increase the export trade, by discovering new inlets. Whoever takes even a neglect to Indian speculation may be easily conceived, on taking any given shipment, and observing charges of freight, &c. to which the Company subject it.

gent survey of the vast tract of land open to the English adventurer, and the different climates which it embraces, may readily imagine what new marts it holds out to mercantile enterprise. His eye will be directed to the Latitudes, to the north-east of Bengal, to Nepal and Arracan, and the country spreading towards China; and almost an equal space in a directly opposite course, towards Cabul and Persia. It will turn, naturally, also all along the Persian Gulph, and, crossing the Indian Ocean, to the eastern coasts of Pedier and the west coast of Sumatra—the intermediate islands, and to the closer seas, washing the Chinese territories.* In none of these vast territories have the Company yet, seriously, attempted any commercial communication. Not to enter minutely into the exports which they would severally take, is it not known that, in a great part of these countries, the natives, being of climates similar, in certain respects, to our own, must have wants of a similar kind, and, as they are not so advanced in mechanical knowledge as we are, that they cannot supply them, in general, so cheaply as we are accustomed to do, and more especially in articles made of the staples of our own country? May we not fairly expect to supply them with these? Would not the people of Pegue, of Ava, and the Malayans, spread all along these coasts, and on the circumjacent

* From the effect of the late captures it might also embrace one side of Africa and the countries bordering on the Red Sea.

islands, consume articles of our workmanship and manufacture, that are now scantily supplied from India? Would not they take coarse coloured cottons and chintzes of every kind, and a vast quantity of articles of iron and steel, differently modified? which are not enumerated in the list of articles of consumption noticed by the Directors.

Would they not give, in return, the woods, vegetable substances for dyes, spices, and other growth of their lands, and the produce of their mines? which the coasting-trade has imperfectly conveyed, hitherto, to Indian ports.

But, beyond this, the ordinary trade of India, the British government has recently captured the French islands, opening a new province, though a somewhat bounded one, for exports, but giving most valuable imports in exchange; among others, the finest sort of cotton; an article particularly spoken of, as a desideratum, by the Directors, and described as being deficient, and not of the best quality in India. This thrown into the general scale, will render this branch of commerce a fair and promising object of cultivation.

To this new field of trade are to be added Java and the spice islands in the Eastern Seas, which will furnish abundant fresh imports for the supply of Europe.

The list of the commodities enumerated by the Company, with these, would seem to present a fair lure to the merchants of this country, so as to

justify their undertaking the trade with its natural risks.

India is said, by the Directors, to produce spices, pepper, drugs, sugar, coffee, raw-silk, saltpetre, indigo, raw-cotton, and manufactures of the latter staple. To these we will add—gold dust, precious stones, woods of singular beauty and variety, such as sandal, rose, ebony, and sattin-woods, as also ivory, tortoise-shell, horn, gums, vegetable oils, wax, hemp, flax, rice, and, whenever required, wheat and pulse, in any quantity; all known products of India; besides numberless others, which the industry of our merchants might be expected to draw from hitherto unexplored regions.

Are not these encouragements more than sufficient to counterbalance the apprehensions of the Court of Directors, as to the unproductiveness of the trade? Their care to convince the mercantile world of this may be well suspected, looking to another part of their conduct. *This* would seem to be insidious, while *that* is, at least, candid and open.

If they had said “we will not admit the British merchant to share the trade,” we should not then have expressed any surprise at the restrictions with which they would burthen it. But they profess that, such as the Indian trade is (they are sorry it is no better), they have every liberal wish to let the community partake of it. But what is the participation they hold out?—a crippled and re-

strained intercourse. They would let you move, but with a log tied to the leg—like a man dancing a hornpipe in fetters.

But participation, if it means any thing, implies a fair and honest participation—a division of the whole with the Company, in such parts, or proportion, as shall be marked out—not like the division between a man and his cross-grained Rib, where one takes the *in*, and gives the other the *outside* of the house.

What! shall the Company have “all appurtenances and means to boot,” their merchants, their factors, their writers, their boards, their military forces, their navy, and their numberless associations—finding all, all of these necessary to the maintenance of their commerce—What! cannot they do without *one* of these fixed and constant establishments? and yet, wishing their countrymen to partake of the advantage which they have not the capital to carry on to its natural extent, grudge, at the same time, to their fellow merchants a footing for one poor agent to accompany, and to abide the issue of, his mercantile speculation?

But they are fearful, it should seem, that the mother country might be detrimented by any change in the commercial regulations, as they respect India; and also that their native subjects might suffer by it.

Can it be doubted, the Company even do not affect to doubt it, but that more exports would be

carried to India, on such a change, and more articles of import taken thence, in the direct proportion of the increased number of the traders? The latter circumstance, though they preach, sometimes, about the dangers to result to their subjects, is admitted to become the probable means of enriching their people, if it be carried to the extent of which it is capable,—so that their products may be carried to other countries, as well as England. Of those riches that may thus flow in upon their subjects, it is to be concluded that the Company may insure some considerable share to themselves and thus promote their interests more honourably and more effectually than by pursuing, as at present, an unnatural commerce with those over whom they reign.

But it is conceived by the Court of Directors, that the natives may be induced, by this freedom of trade, and the benefits resulting from it, to assert their own independence, and to throw off the government of the Company, and perhaps of Britain altogether. When, however, it is recollected, that these men have borne so long and so peaceably the government of the Company, the apprehension of revolt in a condition so much to be ameliorated, cannot be entitled to much consideration. It may also be supposed, that the mother country will not be so negligent of its own interests as to sow the seeds of such a revolution, and to suffer them to take root, and to come to

maturity, without taking any sufficient precaution; unless the principles of the Company shall be adopted in the outset, and the advice of the Company's counsellors, interested, not for the nation, but against it, be assumed, for the regulation and guidance of the nation's policy and conduct. It is possible we should conceive, that the nation may, of itself, comprehend, whether the same merchandize may, on an increased investment of it, promise the same benefits to the state, if brought into its ports by one description of its subjects, as if brought in by another. Not to dwell further on the restrictions which the Directors would put on the private merchants, but to proceed to answer the general objections which have been thrown out by those gentlemen, in their speeches, and in their writings.

It has been inadvertently thrown out by the Directors, that, on commercial disappointment, merchants, and adventurers to India, would endeavour to reimburse themselves on shore, for the losses of their speculations afloat. Is this the general course of English adventure, or is it a practice imagined to be applicable to particular latitudes? If it be founded erroneously on the former, the reputation of integrity and honour, established in three quarters of the globe, as distant nearly as India, will give a direct refutation to the slander; and if it rest on the particular ground noticed in the second place, as the experiment has not yet been tried, is it not uncharitable to sup-

pose, that an English merchant here, would act inconsistently with his character, as maintained in the rest of the world? Is the climate absolutely so infectious? And who is it that acquaints us with its influence?

Not wishing to indulge in the same freedom of reproach which the advocates of the Company's monopoly have made use of, against the friends of a free trade, we shall only claim for the merchants of England in the *East*, the possession of the same principles and sentiments *there*, (we hope we are not asking too much) that they entertain in every other quarter of the globe. We hope that they will no where be governed, whosoever venture to impute it to them, by the motives of robbers, and the spirit of pirates. That they will bear their losses, if they should occur, with the same philosophy that they have hitherto borne their good fortune. But if, unfortunately, the climate, or position, should affect them, and work the changes dreaded, we hope without any just ground, by the Directors, what may we not fear of a like influence of the same baneful sky on the minds of the Company's servants, and their masters? unless, indeed, *they* shall be able to resist such influence, from a *proper seasoning*; at which fortunate point, it is to be hoped, that the private merchants may also one day come. As, however, the apprehension of the Directors is bottomed on the fancied failure of the adventure;

and it has been shewn that such is not very probable to be the case, it is thought, that the Directors may sleep in peace, and not be troubled with any further waking dreams.

The other apprehensions of the Directors may be lulled to rest like these ; which latter have given cause to the restraints which they are desirous of imposing on the private trade at home. Thus it is wished to fix *the tonnage of ships* to be employed in this trade ; the *course of the adventure* ; the *ports of clearance and delivery*, with a long train of &cs.

The lamentations, poured out over their own large and warlike vessels, which probably may become useless, are neither unnatural nor unbecoming. But, though we approve this, we cannot coincide in the idea, that because these vessels may want employment, they should act as a heavy incumbrance on others. Do the Directors wish to break the back of private commerce, by every weight they can heap upon it, or in a more mercantile spirit, are they willing to put up the broom, to sell their now needless shipping ?

Disdaining to enter into any minute history of the shipping employed by the Company, we shall only state, what is too common to require any other than a passing notice, that pure commerce has but very little to do with the size or magnificence of the Company's vessels. The Court of Directors ask not so much the build or bulk of the

ship, as who is the owner? and how many votes he can command, at the India House, or in Parliament? and so of all those who have any relation in the ship, in the intermediate gradations, from the commander to the ship's husband. The same interest determines *whither* the ship shall be destined, and the season of its despatch. These are no unimportant considerations, and are not overlooked nor unregarded, among the many other objects of patronage within the Company's hands. While hastily touching on this ground, it may be remarked, for such is the natural tendency of things, that in all dealings, however great or little they may be, this principle may be expected to govern; and as they are more or less used as a means of influence or protection, in the same degree they must have a baneful influence on the Company's trade. It may be left to the meanest capacity to pronounce on the effect of such a system, though it would perplex the keenest head and eye to trace it in all its windings.*

It is farther to be feared, that, with a like spirit as that noticed in the case just now particularized, the Directors may suggest the restrictions to be laid upon the intermediate trade between other

* In considering this part of the subject, it will be proper to bear in mind, that the practice of building such large ships for the Company's service, has for several years been recognized and deprecated as very injurious to the navy, for the service of which the scanty supplies of large timber now procurable, ought certainly to be reserved.

countries, standing in need of Indian or Chinese articles, ulterior or collateral to the direct outward and homeward voyages between England and India. They cannot, consistently perhaps with other objects, themselves pursue this branch of commerce.—Why would they, it may be asked, preclude private traders from the enjoyment of it, since it would serve to dispose of superfluous articles and commodities, the produce of their own countries, and the manufacture of their subjects? It seems at present doubtful, on what fancied principle they are proceeding. Why may not the British, as the Americans, carry Indian goods to the Spanish and Portuguese colonies in South America? unless it may be deemed a means of making an adventure profitable, which the Directors have prognosticated to be injurious, and that, like quacks—

Would rather that their patients die,
Than their prescriptions prove a lie.

If such a commerce might serve India, and the Spanish and Portuguese settlers, it would not, in a less degree, benefit our own country; inasmuch as it would lend a facility to the disposal of articles it does not now possess in South America; and would besides receive, ultimately, into its accumulate wealth the profit of the British merchant, with the articles of export in the original voyage outward, and the seed of a future adventure, which would turn in season to fruit, by a

like subsequent process and encouragement. If this course did not allow so much immediate profit to the mother country, in point of duties, it would receive benefit in another shape, and possibly not only in an increase of capital, but in articles of necessity for internal consumption, bringing, possibly, one way or other, a proportionate increase to the revenue. And as the Company say, that more Indian manufactures and produce are brought to England, than she can consume or export; the markets in South America may help to take off the superabundance of India, without throwing it as a dead stock, at certain seasons, into the Company's warehouses, or the stores of the country.

But if this species of trade could be supposed by statesmen, or political economists, to trench upon the spirit of the navigation laws, as at present in existence; these, like all others, must yield to the times, and not the times to them. Nor would the legislature be at a loss to frame regulations, if any were requisite, for a trade to be so conducted. Our possessions in India, and the bordering seas, afford abundant checks to any trade that might be governed by principles illusory of the regulative law.

If the Company wish to share in future in this circuitous course of commerce; there can be no just reason for excluding them from that which is given to his Majesty's subjects at large. No one would wish to deal with them as they would deal

with others. Their whole conduct at this juncture, and more especially that which remains to be considered, is directed on the apparently selfish principle, of seeking to involve others in the same situation, into which their own thoughtlessness, or want of circumspection, has plunged them. Not knowing how they can refuse a participation of the trade to the private merchants; they have recourse to devices, which, if countenanced by those, who have a natural leaning to the Company, will either cheat the public of the benefit of the trade altogether, or place it under all the serious incumbrances under which the Company's commercial establishment labours, to reduce both to a par. Respecting the Company and the public, it may be demanded, are these two distinct bodies prosecuting their different adventures on the same principle? The one regards trade as the only means of their existence and livelihood; the other as a means of patronage principally, if not altogether. Making a comparison of all the commerce conducted by the Company, and taking all the charges incident to it, not only in shipping, freight, and direct disbursement, and in stipends to the body of servants, at home and abroad, engaged in it, there is not the least doubt, but that the Company will be found, if not losers, at least gainers to an amount not worth calculating. In this expensive and mischievous course, the Directors would embark the private traders.

We will not remark on the hints given by the Court of Directors, that seek to put the public under the dominion and controul of the Company, in the mistaken notion, that they are the natural masters, whereas they are servants, and as far as respects India, the creatures of the public. It is a hard lesson, but it is one that they must soon learn—as of course—and their pride will be dissipated in the due progress of things.

Nor will it be required that any notice be taken of other hints, thrown out to secure undue gains by the Company, either as a charge on the merchandize of private traders in this country, or imposts on the same commodities abroad; nor on those especially, where they endeavour to retain certain manufactures to themselves. All these proceed on the basis of private interest, so palpable, so undisguised, and so unsupported, by any inherent visible property within themselves, or argument from without, that it would be an abuse of common understanding to waste an observation upon them. They must and will be indignantly repelled by an enlightened legislature—as too unreasonable to be listened to for a moment.

To those suggestions, that are presented under a plea of securing to the state its regular duties, but in reality are aimed to harrass the natural opportunities for trade, outward and homeward, with regulations, not only calculated to retard the progress of adventure, but to load it with intolerable

expense, and unnecessary hazard ; it might be right to offer one or two remarks.

It appears, that the Company feel, that the situation which they have chosen for trade, subjects them to certain inconveniences, contradistinguished from other places that might be selected ; and from and to which other vessels may take their departure, or make their return. In all voyages out and home, their ships and cargoes are exposed to the hazard of the Thames and Channel navigation, to which the ports of Ireland, Liverpool, Bristol, Plymouth, &c. would not be liable. Instead, therefore, of choosing to avail themselves of the facilities of these ports, as means of carrying on their commercial views ; instead of accommodating themselves, who are the few, to the wishes of the many—they unreasonably desire, that the whole mercantile community should give way to them, This desire is the more monstrous, when it is considered, that the expected complacency in the community, would expose them, not only to a lengthened voyage, and an increased expense of sailing ; but submit their commerce to the chance of the elements and war, more than equal to all the risks of the voyage besides. It is not, therefore, a matter of *etiquette*, but of *essence*. But the loss would not only be to the merchants, but eventually to the population of the countries on the sea coasts ; who would have Indian articles unnecessarily increased in price, by the same circumstances, that would almost

double the mercantile costs. It is not the mercantile interest alone, but the country, that ought to resist these encroachments.

To talk of the effect on the Customs, from the changes of the place of sale of Indian commodities, would seem absurd, unless it shall be evident, that the ports, to which the produce of India would be conducted, were exempt from the visitation of the Custom-house officer. This is a blessing, so far as we have been able to understand, for which the country is not yet wholly prepared; and till that time arrives, it is believed, that the trade, as far as regards the customs, may be carried on in all ports with the like advantage to the country, as now.

If the Company shall plead their warehouses, and their dear-bought conveniences in London—it must be replied to them, that they had not any right, that we know of, to calculate beyond their term in the charter. What would they, or any other set of merchants say to him—who should build his offices of trade on another man's ground, and on so grand a scale, that it would occasion the bankruptcies of half a hundred ordinary firms, to sustain the loss, if he should be removed from the premises in a given time; and yet neglect to secure the renewal of his lease? Would they not brand such conduct with the appellation of extravagance or folly? But it would be absolute madness to expect, that vapouring on this extravagant conduct, the landlord should be lulled into

In all adventures, there are certain matters, let them be as prosperous as they may, that must be written off to profit and loss. This is one of them. It is a false speculation, if not in the trade itself, in the duration, and profit of it, and must be placed on the wrong side of the account.

There are but one or two additional remarks, that we would make on the Company's hints—the one is, on the requisition, that the public, in return for the trade which the Company would obligingly give up, on the approaching termination of their charter, to the hands of those who gave it, should furnish, at different times, as there may be need, to the Directors of the East India Company, a sum amounting to six millions of money—not as a payment for any fixtures in trade, left behind them; not for any warehouses, or ships, or stores—but to enable them the Company to pay their own debts. What! after the Company have been driving a profitable trade, as they have told us from year to year, do they come at last to borrow of that very public whom they have deluded, and wish to exclude from the repossession of their own. Six? yes, six millions of pounds sterling! On the plea, too, that they have had a very losing concern of it—and if the public will lend them, for so it is in point of fact, so much capital to renew their trade, they have no doubt but that things will come round again.

We have heard of boys furnishing an instrument

to scourge themselves—but none but a child could be guilty of so egregious a weakness.

Until this moment, the Minister for India, and the Court of Directors, would have had people believe, that all things were going on most prosperously; nor would they now have come to a disclosure of affairs, if things could any longer be dissembled. Into this unhappy condition, they have not fallen all at once,—by one fell swoop—but by a systematic course of decay and ruin—by a yearly excess, in their territorial management, of charges above their revenue—and by a continued loss in their commercial dealings.

The Directors may endeavour to blind and mislead the public, by talking wildly of the value of their territorial acquisitions, and the revenues to be expected from them; but, whilst we have this known and indisputable fact before our eyes—that from the experience of a long series of years, nearly equal to the extent of the charter, the charges have exceeded the revenue, in the amount of many millions; it would seem absurd, to look for any beneficial change, for any given time to come, without the public had some assurance, (which is not likely to occur, from the very constitution of the Company) that they would depart from the system on which they had hitherto acted; and which is the only one, as they aver, suited to the administration of the affairs of the Indian empire. From an adherence to this system, is any

thing to be augured, but a recurrence of the same ruinous effects?

Within the period alluded to, the Company's debts have increased to no less an amount than twenty millions sterling.*

Some flatteries may be indulged by the Directors, that their assets have been enlarged within the like term; and that these will serve, in a great measure, as a balance against their debts. But the Directors, like all other persons of desperate circumstances, over-rate, not only their present, but prospective property. They reckon on the effect of their expenditure in forts and warehouses, as if their value were increased, in the proportion of the expense added to them—as if a ship could be estimated, by the money expended in its repairs—or a garment, by the number of sums exhausted in keeping the tattered remnants together.

On the same sort of reasoning, they build airy castles—as to the realization of long out-standing debts, from the native powers fallen into decay—or what is tantamount to it, into the arms of the Company.

As another species of this delusion—they look to alleged charges on the public, which have been long repelled by their representatives in Parliament; and, what is equally as deceptive, to the sale of the perishable and perishing articles in their warehouses in Leadenhall street. They would seem to be proceeding exactly in the same track

* For the effect of their territorial and trading system, *vide*

with unsuccessful speculators, who terminate their career in bankruptcy; but which is staved off from day to day, by representations that have now become so common, that they can only impose on the ignorant, and make tools of the designing.

The remaining point that we would simply glance at is, the ungracious, and, we will say, ungrateful, manner in which the Company express themselves, of the cost attendant on the employment of King's troops. One should think that their services had been, in the highest degree, trifling and unimportant; whereas, they have been a great mean, we will not say a primary one, of the recent acquisitions of the Company.

It would appear, as if these troops had been sent to India in unjust proportions, rather to load the Company with an unnatural expense, than to afford to them protection, in an extraordinary emergency—the apprehended invasion of their territories in the East, by the strongest enemy that could threaten them.

But these troops have been employed, as it would appear, among others, in making some conquests for the crown; and Ceylon is particularised—But for whom have they actually conquered it? Why, for the Company, who have engrossed this, as every other species of trade within the Company's limits. Does the cinnamon of Ceylon go to the King's, or the Company's warehouses? Is the island otherwise profitable? If so, let them shew it, and the ground of their complaint.

They rail at the expenditure occasioned by the Egyptian expedition. But what was the object of that expedition? To prevent the French passing into the vicinity of the Company's territories. Did they wish such harmless neighbours? Or, if they had been allowed to go thither, who would, in all probability, have been the principal losers? Shall we then hear of this as a subject of remonstrance? This kind of representation is the more unseemly, when we consider that the Company have charged the principal part of this expense, as also the capture of Ceylon, to the public, and have had credit for it in their accounts.*

Before this part of the subject is dismissed, it will be well to call their attention to a species of defence, which the Directors have derived, at the *entire* cost of the public—the naval defence of India; in which have been employed, for a long series of years, from twenty to twenty-five sail of men of war; and these have been used, not in defending the general interests of the country, but the narrow and partial trade of the Company.

If the Company had actually suffered from giving employment to a part of our military force, one should have thought that a reflection on the

* For the first, they have been allowed, on account, 1,761,807*l.*—for *charges*, and for interest on the advance, 1,006,550*l.*—making together 2,768,357*l.*

And for Ceylon, they have obtained a like credit, though not to so large an amount.

gratuitous support of the navy, would have sealed their mouths against complaint, and for ever.

But, instead of the country shifting the military force on them, it has suffered for the want of it in other quarters, where military aid has been required, for the most important national purposes.

The Court of Directors appear, not only to have entertained erroneous notions of the Company's importance, but to have lost sight also of every thing owing to the *public*. They have forgotten, that it is to *them*, and their sacrifices, that they are indebted for their territory, with their exclusive trade. That without their representatives in Parliament, they could not have had any means for acquiring a foot of land; nor could they, without its permission, retain it for a moment now it is acquired. That they are sovereigns only by sufferance.

That it is not by virtue of any fanciful inherent right in themselves, that they have been able to raise and maintain armies, but from the toleration of the country; and that their exclusive trade depends on no other authority.

If they had a proper impression of this truth, it is to be supposed, that they would not have set up the vain pretences preferred. They would not have raved about their privileges, as if they had been self-originating, or self-derived. They would not have talked about the propriety of admitting the

country to their original rights, or have pretended to have a claim, to impose restrictions upon them. They would have petitioned, where they have foolishly undertaken to command.

The Court of Directors appear throughout, to have indulged sentiments respecting the use and importance of the Company and its monopoly, which are not owned or felt by any other body of the community besides. They would seem to suppose, that the trade to India has been created by their own means, and their own merit; excluding wholly from their consideration, that their exclusive commerce is permissive and temporary, by a sacrifice for a term agreed upon, of the public right to their private advantage—and, by the peculiar indulgence of the British Parliament, acting, or supposed to act, for the public benefit and convenience, in allowing to the Company the means, which were found necessary to or for the furtherance of their alleged commercial purposes. Without these aids, what would have become of the Company's trade, or of their territory?

But with all the permission and sacrifice of the public, immediately and collaterally—would they have reared either the territory or their trade, to the height at which they have actually or fancifully arrived? No: certainly not. For the most careless observer, who is at all conversant with the Company's history, must see, that, from the first footing the Company obtained in India, to the

present dazzling splendour of territorial possession, both the one and the other have been owing, not so much to the commercial or political enterprise of the Company, as to our naval superiority above any other nation, or all the nations put together, that have adventured to the Indian Seas. This has always given a protection and stability to the Company's trade; which the folly and misconduct of those, who have conducted it, have not been able to countervail. This has sustained it, against the weakness of individuals, or the ruinous tendency of the whole system of the Company.

Simple commerce, although it was the principle with which the Company first set out, has been long left in the rear in their journey, and has ceased to be the governing principle. It has been abandoned for years, as a minor and inferior consideration; and, instead of this, another has been adopted, of a quite different character, as the constant rule of action—we mean the desire of territorial acquisition. This has influenced, as strongly as the gainful influence of trade—pointing to the same end, the enriching of the Company, though not by the same means. In the one case, immediate interest has been the propelling cause; in the second, a more indirect influence—patronage and protection. What has so much tended to increase this as the possession of wide dominion; calling for the employment of a numberless host of public functionaries? From the use of this patronage the

Directors have been able to provide, by the way of patrimony for their relatives, and protection for their dependants; and have thrown the superabundance, the crumbs from their table, among the Proprietors at large; who have been content with their proportion.

This has been a contrivance that has grown out of the cunning of traffic, to find a circuitous course for the enjoyment of advantages, which they could not obtain in a straight and even way. It was not to be hoped that the public could have endured to see the Company going on from one permitted period to another, in money-getting arts, by their own sacrifice, without wishing to participate with them.

The reasonableness of this was well known and acknowledged by the Company, and by those having controul over their affairs; but, though known to themselves, was curiously concealed from the world. To blind the public more completely, provisions were held out for their participation in the Indian trade, in an indirect way; by giving them an interest in the surplus income of the Company, after the payment of their ordinary charges. But these provisions, if they were ever intended to produce any advantage to the country, do not appear to have done much credit to the capacity of those politicians who favoured them—they have miserably failed. The public, instead of drawing any benefit from them in alleviation of their burthens,

have been absolutely called upon to relieve the East India Company, overwhelmed, as might have been imagined from their flourishing statements, by the very weight of their riches.

The public have been deceived by the operation of provisions, whatever honesty there might have been in the design of them, in expecting an unreal good, and in helping to encumber themselves with a positive and absolute evil.

It is not our disposition to say any thing harsh or uncharitable, even upon failures so difficult to be reconciled with the hopes and promises originally held out with the utmost confidence, from the highest authority. But it is not to be wondered that there were those who, in the heat of political controversy, did not hesitate to assert that the assurances held out to the public were intended to delude, for that, otherwise, the delusion could not have been so complete.

The statute of 1793, and the charter founded upon it, so far as respects the commerce of India, contains principles destructive of the main end it seems to have had in view, namely, the benefit of the country, through the instrumentality of the East India Company. Profit must always be the grand stimulus to commercial enterprise — now what sort of incentive must the Company have, from the operation of this charter, to prosecute their trade with spirit, when others are to reap, with them, the benefit resulting from their enter-

prise? The principle is a most erroneous one, in point of commercial economy, and was soon successfully detected by the sharp-sighted policy of the East India Company; and instantly departed from for more exclusive and direct advantage—descried, as has been explained, in the more lucrative system of patronage.

Nor was this followed by any material inconvenience, or loss, in other respects; which might be supposed to militate against the newly adopted policy.

What amount, it may be asked, have the Directors themselves embarked in the trade, or capital, of the Company? Look to their stock in the Company's funds! and, it will be seen that not one half of them have more than 1000*l*. Indian stock—a bare qualification to the chair of the direction.

But what is it to them, so they can have the long list of appointments, from the Governor-general of India to the humble cadet, whether they make 100 or 150*l*. by the proceeds of trade. Trade must be not merely a secondary, but, rather, a wholly neglected, consideration, when opposed, on the other side of the account, to the vast amount of their patronage. It would be superfluous to pursue a topic any farther, so self-evident and so striking.

But, though the country has ~~not~~ derived all the good which it had been taught to expect from the Company's charter, it has, nevertheless, reaped, for which the Directors say it ought to be thank-

ful, a very perceptible and singular profit—and which the Directors assume much credit to themselves and their constituents for producing. Listening to their assertions, one would imagine that they imported vast annual wealth into the country, to the amount of several millions, by their commerce, far exceeding the prime cost of their importations, and the profits attached to them. But what reason have the Directors to plume themselves on this? Is the amount of duties of *their* providing? Or are they the mere *hand*, of which the public make use, in making their necessary contributions to the state? If paid by any other, it would come, in the same solid lump, into the coffers of the public treasury. Let us not hear any more of these imaginary notions, or illusive suggestions, calculated to deceive themselves; or, what is worse, to cheat and insult the common sense of the country. It is not less clear that the present system for the government of India will be as ruinous and mischievous for the Company, in the event, as it is unproductive and burthensome to the parent state.

In this latter part of our labour it has been our object (certainly an object for which we do not expect to derive much gratitude from those whom we would benefit, but still an object sincerely sought by us) to open the eyes of the Company, as well as those of the country, to their true condition. Their present state is, from obvious facts, as well

as from every serious consideration, so entirely unfitted for managing and monopolizing the trade of India, that it is not, in reality, consistent with commerce at all, more particularly from the assumption of the character of sovereigns, which would seem to be utterly at variance with commercial pursuits.

As all human power has its boundaries, beyond which it cannot pass, it may, rationally, be conceived that the sphere of sovereignty, into which the Company have diverged from the confined circle of trade, is large enough to engage all their attention, all their capacity, and all their resources; that it is sufficiently extensive to occupy all their thoughts and all their means. Let them devote themselves, night and day, to the well-being of their territories; to the agriculture and manufactures of India; and think of trade only, so far as to devise the best means of encouraging and improving, by every facility, which, as sovereigns, they can give the intercourse, which will be best and most properly carried on by those who are merchants and traders by profession. Let them, above all, study and labour for the happiness of their innumerable, and most virtuous, and amiable subjects. Let them improve the condition of those subjects, by securing their property, and by enlarging their means of acquiring it; among which means a free and properly encouraged trade, carried on by merchants properly so called, deserves the first rank. Let them secure

the due administration of justice by wholesome and steady laws, and by suitable institutions, for the administration of those laws. Let them abolish their vast and numerous boards—invented only for the purpose of increasing the objects of patronage—and lighten themselves of all the gaudy trappings, which are calculated to destroy the substance for a paltry and tinsel show. Let them amend and reform the judicial system; which, alone, demands an expenditure of near a million yearly. Let them narrow their frontier, and reduce it to a defensible circle, and confine their future wishes within it, and thereby diminish their enormous military establishments, and their vast diplomatic expenses. These are grand and immense objects, not foreign, but, on the contrary, most appropriate and essential to the welfare of the Company, and to the character and glory of the country; and with which is connected, more intimately than they choose to allow, the Company's very existence.

Do not these abundant objects require the Company's attention? and are they not numerous and weighty enough to demand and exercise the whole time, wisdom, and talents, were they even ten-fold what they are, of the Court of Directors? These complicated concerns, if rightly attended to and arranged, may employ the Company, for years yet to come; and may find also employment for the co-operation and assistance of the Board of Controul.

Indeed it would not be a superfluous work if they both immediately set about the arrangement of a plan for the administration of their territorial affairs—convinced, as they must be, with the public, that the plan acted upon, so far from its having answered all those great ends anticipated of it, has served to involve the Company in an overwhelming debt—for which they have the slight and unsatisfactory, but, in ill success, the common consolation, of abusing one another.

Let them take prudence, though late, and attend to these things ; they will then find their best interest in aiding and assisting the general merchants of the British empire in the establishment of a free and beneficial trade with their dominions ; instead of attempting weakly, vainly, and most unwisely, to oppose their admission to that trade.

APPENDIX.

IT would not only be difficult, but for the present purpose, unnecessary, to go minutely into the East India Company's territorial or commercial affairs. It will suffice to state a few general results, as flowing from an investigation of all their accounts, made by an official organ ; which appears to have looked diligently into the subject matter, though from causes, which are explained, it has not come to such precise conclusions as might have been expected in an ordinary case.

On taking an account of the revenues and charges of the territorial possessions of the East India Company, for 17 successive years, namely, from 1792-3, to 1808-9, the latest period to which any accurate account extends, it is stated, " that the gross excess of the charges, beyond the amount of the territorial revenues, will be found to have been 5,078,015*l*." To which is to be added, not included under the ordinary head of commercial

charges, or the invoice price of goods, the sum of 2,916,279*l*. These charges comprise the salaries of the Board of Trade, subordinate commercial offices, factories, and import warehouses abroad. The entire disbursement of India will, therefore, in this view, be found to have exceeded the ordinary revenues, within the period of 17 years, taking good and bad together, as must be done in all calculations, in the aggregate sum of 7,994,294*l*.

In the same inclusive space, there is an increase of India debt, of no less an amount than 20,905,194*l*. ; to which is to be added the debt existing in 1792, amounting to 7,129,934*l*. : making, together, 28,035,128*l*. The excess of the debt, within the period of 1792—3 and 1808—9, was, in a great measure, occasioned by disbursements for the purposes of trade ; for as these were to be drawn according to the provisions of the statute of 1793, from the surplus revenue—and, as in the stead of *surplus*, there was almost a constant *deficit*—there was no other resource left to the Company than the borrowing of money in India, for their commercial speculations : no alternative presenting itself, but the utter abandonment of the trade.

Combining the excess of charges over the natural revenues of the Company, with their accumulating territorial debt (making a fearful total of 36,629,422*l*.) the public may form a tolerable

estimate of the prosperity of the Company's management of their vast territories, as well as the probability held out of the future success of their government.

To this brief account of the effect of the territorial management of the East India Company, are added a few facts and circumstances respecting their *Commercial* transactions.

It appears, from official papers, that the whole of the exports * of the East India Company from this country, for the period of 17 years, from 1792—3, to 1808—9, and these including stores of every description, which may be presumed to constitute the greater part of the exports, amounted only to 11,554,218*l*. From which sum, also, is to be deducted 10 per cent. being the amount added by the Company to the invoice price of their goods and stores.

The sum credited to the Company, for the sale of such goods and stores, by the different Indian Presidencies for the like period, is 8,904,068*l*.

The advances made by the Indian Presidencies,

* It has been shown, in the preceding sheets, that the spirit of trade, if not depressed by the continuation of the monopoly of the East India Company, may be expected to increase in an incalculable degree the extent of the exports, which are limited principally at present to the supply of stores for the purposes of government.

for the same period, for the purchase of investments for importation into England, were—

26,038,226

Charges to be added, not included

in the invoices 2,916,279

£.29,254,505

The sale of the articles, forming these investments, has of late years diminished in an almost incredible degree.

The sole amount of Indian goods,* which stood in 1798—9, at 4,667,295
 was reduced in 1805—6 to 2,254,899
 in 1806—7 to 1,472,074
 in 1807—8 to 1,309,080
 in 1808—9 to 1,191,213

* The confined vent for the sale of the imports into this country from India, which must be supposed, from the state of the continent and commerce at this juncture, to be immaterial, will be extended, as the general restrictions of trade, from the operation of the continental system, shall be mitigated, or removed, and a fresh mart may be opened for the sale of Indian articles of produce and manufacture, in South America, and elsewhere; which may enable the general adventurer to India to dispose of the returning cargo, purchased by his exports—and so prevent it, even during the existence of the restricted course of trade (which cannot be imagined to exist for ever), from becoming an accumulation to the stagnate and perishing stock in the Company's warehouses.

In the transactions of trade between
 March, 1803, and March, 1808, the
 excess of payments above the re-
 ceipts is estimated by the Court of
 Directors at£7,433,855

But in a subsequent account, after an
 adjustment of some disputable ar-
 ticles, it is stated, in another offi-
 cial paper, that within the last
 17 years, the total supply by India
 to England has been£42,178,640

Total return by England to India,
 within the like period£43,808,341

Balance in favour of the latter only £ 1,629,701

But this balance, it is said, will be transferred
 to the other side of the account, when a more par-
 ticular investigation of the Company's affairs shall
 be concluded.

It would exceed the purpose of this note, to
 pursue the subject more minutely.

From the results noticed, it would seem clear,
 that the exclusive trade of the Indian Empire is
 too large for the hands of the East India Com-
 pany :

That for a long series of years, their commercial
 speculations, generally speaking, have not been
 worth the pursuit :

That even on their own allowance, the profit of trade can never be regarded as a resource for the payment of the territorial debt—or, in their own words, “It has always been perfectly understood, that, in the most flourishing times of the Company, their commercial resources could not be adequate to the discharge of the Indian territorial debt.”

That the discharge of the latter must depend on the reduction of the expense of management of the territory—and what a task that must be, may be gathered also from the Directors’ own admissions ; as follows :

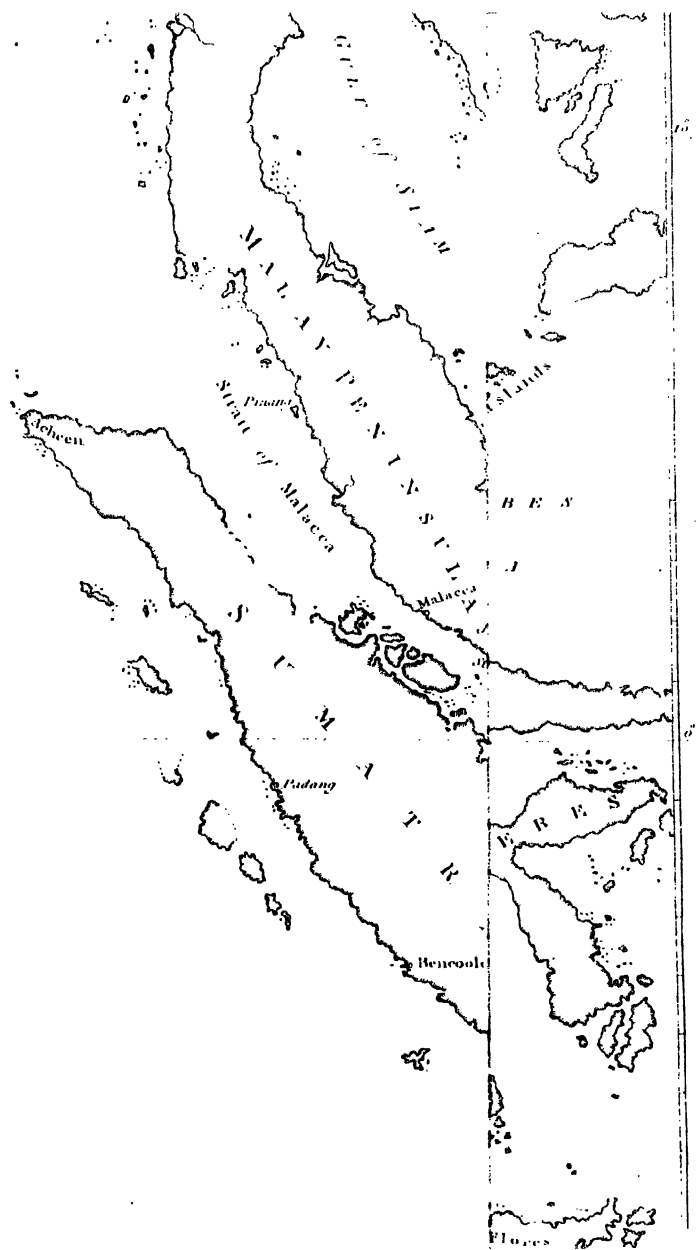
“What is most obvious and striking, is the increase, not of the charges only, but also of the debt, as the revenues increased, and not merely in proportion to the increase of the revenues ; for whilst, from the year 1793—4, to the year 1805—6, the amount of the revenues has not been quite *doubled*, that of the charges has been increased as 5 to 2, and that of the debt nearly *quadrupled*, besides a very large sum of debt transferred in the course of that period to England.”

Whatever disputes may arise about the cause of the Directors’ complaint, the effect will not admit of question.

Should not these things convince the Company of their own unfitness to carry on the trade of the Indian Empire, and the propriety of resigning it to abler hands ; and of directing their whole thoughts to the revenue and charges incident to their territorial possessions ?

ON THE
TRADE TO CHINA.

LONDON :
PRINTED BY THOMAS DAVISON, WHITEFRIARS.



ON THE
TRADE TO CHINA,
AND THE
INDIAN ARCHIPELAGO :
WITH
OBSERVATIONS
ON THE
INSECURITY OF THE BRITISH INTERESTS IN
THAT QUARTER.

BY CHARLES ASSEY, ESQ.

LATE SECRETARY TO THE GOVERNMENT OF JAVA.

LONDON :
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BOND-STREET.

1819.

ON THE
TRADE TO CHINA.

IT is proposed, in the following observations, to take a general view of the commerce of the Indian Archipelago, more especially among the *native states who are not under the control* of a foreign power ; to consider in how far that commerce may be advantageous to this country, both in extending the consumption of our staple manufactures, and in the demand for the produce of those states in the China market ; and at the same time to point out the insecurity of the present trade from Great Britain and British India to China, if timely measures of precaution be not taken to meet the progress of the Americans in China, and to guard against

the system of exclusive authority which the Netherlands government are endeavouring to establish throughout the Eastern seas. It is not that I expect to offer many new facts relative to the commerce of these countries; but probably a concise explanation of the circumstances already known, may place the subject in a more striking point of view than what it has been supposed to possess; and as questions of the greatest national interest are often underrated or overlooked, merely because the scene of action is distant and not familiar, it becomes the duty of those who from local situation have been more accustomed to give their attention to such matters, to communicate frankly the result of their personal experience. With this view of the subject, I am anxious to point out the probable consequences of leaving a foreign nation to obtain the sole command of the Eastern seas, and to control the trade and industry of the native population of those islands.

And this question is of no trivial importance: there is at the present moment an acknowledged want of field for the employment of the capital of our merchants. Commerce has been carried to an extent which cannot be continued, now that the European nations are at liberty to encourage their domestic manufactures; it has become therefore more necessary than ever to seek for distant markets; and there is a field still open in China and in the Eastern seas, which I think may be obtained without any considerable expense, and without at all interfering with the legitimate rights of other nations.

But the more clearly to explain this question, it is necessary to offer some remarks on the course and nature of the trade in the Indian Archipelago, and on the consumption of the products of these islands in China.

From the earliest times of which there is any

record, the foreign trade in the Indian islands was carried on at certain ports or emporia, to which the native traders resorted with the produce of their respective countries, and bartered it for the commodities of Europe and of China.—Acheen, Malacca, and Bantam, were chief places of this description, until the Dutch established a paramount authority, and by obtaining an exclusive control in the minor ports, were enabled to force the native trade to Batavia. They wished to render this place the emporium of their Eastern possessions, and when they had subdued any of the neighbouring native states, they uniformly exacted the execution of a treaty which stipulated that the produce and trade of the country should be placed at their disposal, and the local port regulations be made subject to their immediate direction ; the consequence of which necessarily was, that they became enabled to change the course of the native trade, (so far as it was not comprehended in their own monopoly), to such

ports as best suited their policy and convenience.

But the native traders have at all times been unwilling to proceed to Batavia; the regulation was contrary to established usage, and to the ordinary and convenient course of their voyage; it was both arbitrary and oppressive; and whenever the Dutch government were too weak to enforce submission, it was evaded. Thus it will be found that Rhio was a place of great resort, although the Dutch would rather have directed the native trade to Malacca; and as soon as the Eastern seas became more free, Penang rose to commercial importance; and a direct intercourse was established between the East India Company's possessions and the Indian Archipelago; and hence it has followed that the British nation has acquired an interest in the commerce of these islands which was not formerly possessed. The mutual relations thus established, have led to an increased consumption of European manufactures among the

Malay tribes, and have tended to improve their habits and condition, by presenting to them a ready and unrestricted sale of the produce of their industry; and the Netherlands government cannot prohibit the continuance of these relations without committing a positive injury on the legitimate rights of Great Britain.

It may also be presumed, that if a conveniently situated port were established under the British flag, that port would be resorted to by the Malay and Chinese traders, in preference to proceeding to Batavia; because such a course would be conformable to former usage and convenience; and, further, because the natives of the Eastern islands have, on more than one occasion, during and since the restitution of Java, evinced a decided preference towards the British nation.

The trade between China and the islands in the Indian Archipelago is of ancient date, and

of considerable extent; the Chinese junks proceed annually to Java, to the Celebes and Suluh Islands, and to the principal ports on the island of Borneo: they also go annually to Palembang on the coast of Sumatra, and to the islands of Bintang and Lingin: their export cargo from China, consisting principally of coarse earthenware and silks, together with various articles of domestic consumption among the Chinese settlers residing on the different islands: gongs also are a great article of export from China to Borneo. In return the junks receive sugar from Java; tin from Banca*; and from almost all the islands, edible birds'-nests†, tripang

* The Chinese prefer the Banca tin to any other, and will pay about $\frac{1}{7}$ th more for it than for the Cornish tin. The greater part of the tin procured in Banca is sent to the China market; and the quantity obtained from the Banca mines has been as follows:

In the year 1814——19,119 peculs, of 133lbs. per pecul.

1815——25,190

1816——26,677

† The birds'-nests are distinguished by the Chinese by the names of Pashat and Chikot, and each kind is divided into three classes of best, middle, and inferior quality; the sale is

(otherwise called sea-slug) a kind of holithurea, and some other articles which are among the luxuries of a Chinese epicure ; besides rattans, wax, woods employed in dying, and other such products of woody uncultivated countries.

There is moreover a considerable native trade among the islands themselves : Java supplies most of them with salt and with cotton cloths : gambier is a very principal article of export from Bintang : iron is found in Borneo, and exported from Banjarmassin to Pontiana, where it sells at a higher rate than the European iron : these, with rattans, mats, dammar, agar-agar,

so certain that birds'-nests are considered equivalent to specie, and the average selling price of the two kinds has been estimated to be, the Pashat at 3,200 Spanish dollars, the Chikot at 2,200 Spanish dollars per pecul. It is estimated that more than 200 peculs of birds'-nests are annually imported at Canton, and that the supply might be extended to 500 peculs, without much risk of lowering the sale price.

Sea-slug is of several kinds, and varies in estimation accordingly---the average sale price of the whole may be calculated at about 65 Spanish dollars per pecul, and the annual demand is not less than 400 peculs.

(a species of sea-weed which is used for food), and other minor articles in common use, furnish cargoes to the numerous vessels that trade along the coasts in the Eastern seas, and shew the extent of the trade that might be looked for if the native population were allowed the fair progress, which in the ordinary course of the human mind they would attain to, if they were not restrained by the shackles which European policy imposes on them.

But I proceed to a more particular notice of the ground that had not been occupied, by any European power, at the date of the latest advices from Batavia.

The convention concluded between Great Britain and the Netherlands in the year 1814, has restored to the latter government the factories and establishments which the Dutch held in the year 1803. This restitution has comprehended Java, the Moluccas, and Celebes, with their respective dependencies; but it does not

express that the Netherlands government shall, under this convention, have a right to resume factories or establishments which were not in the year 1803 actually held or administered by the Dutch ; and it may reasonably be doubted, whether it was intended to convey the restitution of those establishments which the Dutch had abandoned between the year 1803, and the date of the signature of the convention.

On the decision that may be taken on these different views of the subject, the present field in the Indian seas becomes more or less narrowed. If it be admitted that such positions as were not held by the Dutch in the year 1803, have not been given up to them by this country, all the establishments which have been resumed for the Netherlands government on the Western coast of Borneo, since the restitution of Java was carried into effect, become open to further consideration and discussion ; and if a formal abandonment of factories held in the year 1803, has excluded such factories from the terms of

the convention above alluded to, Banjarmassin, on the South-east coast of Borneo, does not belong to the Netherlands government by virtue of that convention.

It is indeed stated in the latest accounts from India, that the present authorities at Batavia have not only re-occupied all the possessions which the Dutch at any time held in Borneo, but have also declared the Netherlands government to be the sovereign of that island, and have it in contemplation to place the whole Archipelago under one general system which shall secure the monopoly of its commerce in their own hands, and exclude other nations from any direct participation or access ; but it can hardly be argued that these more recent arrangements, which would materially affect the rights and interests of this country, and were not included, nor perhaps imagined, when the convention of 1814 was framed, can be considered conclusive until they are found to be consistent with the system of political relations in Europe.

On the present occasion then it may be assumed, that those islands or countries which are not comprehended in the cluster of the Moluccas or Celebes, and have not been actually restored under the convention which was concluded with the Netherlands government in the year 1814, constitute a field that is still open in the Eastern seas: Java, of course, does not come within the scope of the argument; and Bali, though not actually occupied by the Dutch, is too near to their establishments to be, alone, worthy of consideration. I proceed therefore to notice the commercial facilities within the space that remains open; tracing the different positions round the Eastern and Northern coast of Borneo, to the Straits of Singapore.

The Suluh islands, and that part of Borneo which is dependent or tributary to them, come first in this track, and may be considered to include Magindano and the other islands,

which do not acknowledge the authority of the European government at Macassar.

A mission was sent to them from Batavia, in the year 1814, for the purpose of renewing the treaty which had been concluded in 1774, when the island of Balambangan was taken possession of, and the authority of the Suluh government in Borneo was transferred to the East India Company. It appears from the information then obtained, that the government of the Sulubs is nominally administered by a despotic sovereign, but is in fact controlled by a few powerful chiefs, who are the proprietors of the greater part of the armed vessels, which, under the general name of *Ladrones*, scour the adjacent seas, and plunder indiscriminately whatever falls in their way. The native chiefs in Magindano, and of the extensive settlement in Celebes called Tantoli, are also connected with them, and it is estimated that the collective strength of these piratical establishments will amount to about 200 armed prows, of different strength and di-

mensions, and from six to seven thousand fighting men. They make descents on the neighbouring islands, and generally lay waste the country where they land, and carry off the inhabitants, whom they afterwards sell or employ as slaves*. On their return the booty is divided, and one-fourth of it falls to the share of the Sultan and his principal chiefs.

The great Suluh island is the principal market for the sale of their plunder; and the Magindano pirates resort thither for the same purpose; but besides this traffic, there is a regular trade, principally with the annual junks from China, and, by tacit agreement, no violence or interruption is offered to it. The junks bring

* The following has been stated to have been the amount of plunder in the year 1813-14.

A Spanish brig from Manilla.

Twenty small craft captured among the Philippines.

About 1000 slaves, Christian inhabitants of the Philippines.

A large coasting vessel from Macassar, the commander of which was ransomed for 120 Spanish dollars.

And some small craft in the Moluccas.

European manufactures, and coarse China goods; and they convey back camphor, birds'-nests, betle-nut, rattans, &c. including about 220 tons of mother of pearl shell, and a small quantity of pearls.

Of the island of Borneo, and especially the Bay of Malludu and the division termed Borneo Proper on the north and north-west coast, the following account has been given by the late Dr. Leyden. "Borneo Proper is one of the states which grows rice enough for its own consumption; its camphor is the best in the world, but does not exceed the annual quantity of 35 peculs of 133 pounds per pecul. When the original settlement was formed in *Balambangan* in 1774, Mr. Jesse found that not more than 4000 peculs were produced; and I understand the country still produces pepper equal at least to that quantity. The trade between Borneo and the Chinese port Ammoy is very considerable; according to Foster there were seven junks at Borneo in 1775, and the return car-

goes procured by the Chinese are chiefly camphor, sea-slug, tortoise-shell, birds'-nests, dammer, sandal-wood, rattans, and various articles used in dying.

“ The commodities produced at Malludu are nearly the same as at Borneo Proper ; it abounds particularly in rattans and clove bark, and is reckoned well-peopled in the interior. It has a deep bay, on the east side of which are pearl banks. Magindano, the most easterly district of Borneo, and dependent on the Suluhs, produces gold, birds'-nests, the species of red wood called lakka, and some camphor. Considerable quantities of sea-slug and tortoise-shell may also be procured from the numerous shoals and islets along the coast.”

These extracts serve to confirm the observations already made on the subject of the general produce of the Eastern islands ; and it may be assumed from them, that although the commodities thus to be immediately obtained

would not of themselves furnish a return-cargo of sufficient value to repay a direct commercial intercourse with the north and north-east coast of Borneo, there is abundant ground for considering it an auxiliary in a general plan, the object of which would be, to encourage and protect a coasting trade, in order to collect articles for the China market in exchange for the manufactures of Europe.

But it is not in this temporary point of view only that the subject ought to be contemplated: enough is known of the island of Borneo, to justify a conclusion that it promises to prove in time abundantly profitable. The range of mountains in which the gold-mines of Mampawa are situated extend also to the northward; gold and diamonds have been found in other parts of Borneo, and to all appearance are abundant; a frequency of commercial intercourse with the people, and the increase of wants that would arise from it, would no doubt lead to the usual course of civilization, con-

sumption, and demand. We know of nothing that should interrupt this ordinary progress; and even if it be not thought expedient to incur the immediate expense of forming an establishment, it must be prudent to interfere, lest other nations establish themselves to our exclusion. Let this be effected, and let the natives be encouraged by a free trade to their ports, it may be expected that the full advantage will result in due time.

The Eastern islands undoubtedly contain a very considerable mart for the sale of British manufactures. Broad cloths are highly prized by the natives, and the demand for them would augment in proportion to the means of purchasing. Some kinds of hardware manufactures would find a ready sale; iron is in demand, particularly the Swedish; and the experience of late years has shewn that cotton cloths, manufactured in this country in imitation of Malay patterns, can be exported and sold below the local sale price of the native manufacture.—

This single fact is decisive of the importance and extent to which the Eastern trade might be carried. That it is a fact may be proved on reference to the results of the last year, when these cotton cloths have found a ready and advantageous sale, while the colonial markets have been otherwise so overstocked with European goods, that they scarcely have repaid the prime cost. In short, the practicability of extending the demand for this species of manufacture* is bounded only by the means of access to the native population; and, as a general remark, applicable to almost every branch of European export, it may be observed, that as the inhabitants of the Indian islands are acknowledged to be free from those peculiar habits and prejudices which restrict the use of European luxuries among the Hindoo tribes, there is no reason

* It is somewhat curious to trace the course of this trade. Raw cotton imported from Bengal and Bombay (where it is grown) is manufactured in Great Britain, and re-exported in its manufactured state to a sure market. It would be difficult to conceive a trade more beneficial to the mother country throughout its progress.

why an increase of civilization and wealth among them should not lead to an increased demand for the luxuries of civilized society.

Thus far the subject has been considered principally with reference to the extension of a direct trade from Europe ; but there is still another branch of it that ought not to be overlooked, which is the commercial intercourse that has of late years been carried on between these islands and the possessions of the East India Company. By a report framed at Penang, it appears that 2100 chests of opium were exported from that settlement in the year 1813-14 to different Eastern markets exclusive of China ; and I have been informed that about 45 peculs of gold dust were received at Sambas and Pontiana, during the same year, on account of cargoes sold at those places. Notwithstanding, therefore, that the market will have become greatly contracted in consequence of the produce of the island of Java being no longer available as a return for the cargoes exported

from British India to the Eastern islands, there might still be a valuable trade carried on with the independent native states; more especially when it is considered that this trade would lie near the ordinary track of ships proceeding from British India to Canton; and consequently the mercantile interests in India would be materially injured by any measure which tended to establish a monopoly of the trade of those islands.

The same course of argument is equally applicable with reference to the existing British trade at Canton. Edible birds'-nests, sea slug, and the various articles of lesser value which are also among the luxuries of the Chinese table, are the produce of the Indian islands, and find a ready sale in China; on the other hand, our woollen manufactures are in use throughout the Chinese empire, and are exported from thence to Japan; and I understand that the demand for our cotton goods has very rapidly and materially increased in China within

these last few years, and promises to become even more productive*. This fact leads to a conclusion, that by combining both sources of supply, by exporting British manufactures to the Indian market and there collecting the local products which are sure of a ready sale in China, our domestic manufactures would find additional vend, and our trade to China would acquire importance in the estimation of the Chinese themselves, a point of no small consequence at any time, and especially now, when the Americans are making rapid strides, and threaten to acquire a superiority in the China trade.

It would hardly, perhaps, be believed that their progress was so considerable; but it is a serious fact, that in the last year 1817-18, the trade from America to China employed 7,000,000 dollars, and 16,000 tons of ship-

* This furnishes another proof of the importance of protecting and encouraging the course of the cotton manufacture, which has already been alluded to.

ping, while, during the same period of time, the British trade to China occupied 6,500,000 dollars, and 20,000 tons of shipping; and consequently, allowing that the American merchant receives his return in the course of one year while the British requires nearly two years, the American trade to China is already more extensive than our own. Yet still, though the encroachments of the Americans are matter of daily complaint, though their means of future aggression go on increasing, and their present attitude denotes an indifference, if not something more than indifference, towards the opinion of this country, no means are taken to meet their progress, or to occupy those commercial resources which might enable us the better to compete with them.

Among the Indian islands, the native trade along the northern coast of Sumatra is exclusively in the hands of the Americans: the comparative cheapness with which the American merchants navigate their vessels, and the quick-

ness with which they obtain their return cargo (for the plain and obvious reason that they are not delayed by official forms, but each individual sells his goods as he can), enables them to give a higher price for colonial produce than the British merchant can afford to give. They usually purchase with specie, a circumstance which gives them a decided preference at Batavia or any other of the Dutch settlements to which they are allowed to resort, because the payment in specie is of considerable moment in the financial arrangements of the Java government. They also trade in small vessels, calculated to run with facility from port to port along the coasts of the independent native states; and from these collective causes they obtain an advantage which can only be met by affording corresponding facilities to the British merchant, in securing for him also a market among the Eastern islands, and permitting him to resort to that market freely and without reserve. In short, if the commercial resources of these islands be at all admitted to be an auxiliary in

the supply of the China market, every argument, whether drawn from domestic interest or foreign policy, seems to point out the advantage, not to say the necessity, of fostering the native industry of these islands, and obtaining a permanent connexion among them.

In the progress of this course of things also, a direct intercourse may possibly be established with Cochin China. The greatest obstacle to the success of former attempts has been found to arise from the influence which the French missionaries had obtained at the court; and, as many years have now elapsed since that period, probably a new succession of rulers will have produced new interests and views. The possibility may at any rate be adduced as a collateral argument in favour of an establishment near the China Sea; because the vicinity of such an establishment, and the connexions dependent on it, would necessarily facilitate communication with Cochin China; and the known products of that country, as well as the particular advantages of its locality with reference to

China, Bornco, and the Philippines, would guarantee an ample repayment of expense if the attempt proved successful.

The same observation, though in a lesser degree, may be applied to Japan; and it may not be uninteresting to give a concise history of the circumstances which have transpired from the commercial adventures sent to that country, in the years 1814 and 1815, from Batavia.

In the years 1813 and 1814 the local government of Java resolved to send a mission to Nangazacky, for the purpose of taking possession of the Dutch factory there, under the capitulation which stipulated for the surrender of the several dependencies on Java, and, at the same time, to take a proper opportunity of communicating to the Japanese government the annihilation of Holland as a separate and independent nation, the conquest of Java, and the willingness of the existing government to continue the commercial relations which had here-

from Batavia. This, however, be done with peculiar caution and *delicacy*, because it was known that an edict had been issued by the Japanese government some few years before, directing acts of reprisal against British ships, in consequence of their having taken offence at supplies having been obtained in a compulsory manner by the commander of a ship cruising in that neighbourhood. There was nothing therefore in the appearance of the present adventure that should disclose at once its nature and object, the cargo was assorted agreeably to former usage, and the ships were to enter the harbour of Nangazacky according to ancient forms, and under Dutch colours.

Upon the arrival of the commissioners the Dutch chief of the factory refused to consider himself bound by the capitulation of Java; and, by representing the danger that would result if he were to make known to the Japanese governor the real character of the expedition, in-

duced the commissioners to agree that the commercial adventure should be carried through according to former usage, and without any political proceedings whatever. The commission therefore returned without having effected the main object of the voyage.

But the government at Batavia were by no means satisfied with this procedure; they considered the failure to have been mainly owing to the intrigue of the officers of the factory; and they were strengthened in this opinion by the following circumstance. It is customary that on the departure of the ships from Nangazacky for Batavia at the close of the annual consignment, a private signal is given to ensure the admission and friendly reception of the following year; and when, on the present occasion, this custom was renewed, the Japanese interpreters (who are the channel of communication between the factory and the governor of Nangazacky) secretly gave the commissioners a duplicate of the next year's signal, in order

that no intrigue of the Dutch chief of the factory might prevent their return to Japan; intimating to them, at the same time, that the real character of the expedition was no secret.

It was therefore determined to repeat the attempt in the year following;—but during the interval the situation of affairs had become changed by the arrival of intelligence of the results of the battle of Waterloo; and the further prosecution of the plan was abandoned, except that one ship was sent to Japan in the years 1814 and 1815, with a cargo which had been already prepared.

I shall conclude this part of the subject with some information, obtained from the persons employed on this occasion, and annex in an appendix* an abstract of the results of consignments to Japan, in further illustration of it.

The Dutch trade from Batavia to Japan is

* Vide appendix.

regulated by specific agreement as to its extent and description. The export cargo from Batavia consists of sugar, woollens, piece goods, and small quantities of glass ware, spices, and ornamental fancy articles; in return for which, copper, camphor, silks, and lacquered ware, are received from the Japanese. The price of the merchandize is settled before the annual adventure commences; only a small sum of money is allowed to be brought to Japan, and no part of the cargo is paid for in specie, the Japanese laws prohibiting the exportation of the precious metals under any form; the whole trade therefore consists in barter, and the profit depends on the subsequent sale of the homeward bound cargo. At the close of one year's consignment the quantity and assortment of the following year's cargo is determined, and a list is sent to Batavia for the guidance of the authorities accordingly.

It has been the opinion of many of the best informed persons, however, that these restric-

tions on the quantity of cargo are very much owing to the mismanagement or intrigues of the officers of the factory, whose interest it is that the trade should not be so extensive as to interfere with their own privilege, or require more than one chief officer to conduct it; and the Commissioner who went to Nangazacky in the year 1814 expressly declares, that, in his opinion, the present state of the trade is no criterion for judging of the extent to which it might be carried;—he says, “The climate, the habits of the people, and their freedom from any prejudices that would obstruct the operation of these natural causes, would open a vent for numerous articles of European comfort and luxury. The consumption of woollens and hard ware might be rendered almost unlimited;—they are fond of the finer specimens of the glass manufacture, and the returns from Japan, which have hitherto been limited to their copper and camphor, some lacquered ware, a small quantity of silks, and a few other things of trifling importance, may be extended

to a long list. Specimens of teas, pitch, borax, iron, cinnabar, linseed oil, whale oil, and other articles which may be obtained, have been brought to Java by this opportunity."

The same gentleman has also observed, that so far as his local knowledge enabled him to form a judgment, the real difficulties of introducing the British flag in Japan, inasmuch as they depend on the character and political institutions of the Japanese, are much less than they have been represented to be. He was of opinion, that the ill success of the attempts hitherto made has been chiefly owing to the misrepresentations which it has been the policy of the Dutch government to keep up, in order to secure their own commercial monopoly; and that the failure of the Russian embassy in 1804, as well as the offence taken at the entrance of the British frigate into the harbour of Nangazack in the year 1808, may be in a great measure attributed to the effects of this policy. In short, from the various opinions expressed by

persons who were at Nangazacky with the commercial adventure in 1813 and 1814, it seems reasonable to conclude that, although the recent re-establishment of the Dutch factory under its ancient forms will have re-opened the usual supply of European goods, and will consequently have taken away the particular advantages that were to be contemplated while the British authority ruled in Java, there is still sufficient prospect of success to justify an attempt being made, if the objects to be acquired be considered worth the expense of a trial. And this conclusion is confirmed by the following circumstance :—When at the close of the commercial consignment sent in the years 1814 and 1815, the chief of the factory, calculating on the change which had taken place in Europe, renewed his declaration that he would not receive another consignment except on his own terms, he requested the Japanese interpreters to transmit a declaration, on their part, that they could not answer for the consequences of any departure from the plan which

he proposed. The interpreters did so ; but they concluded by saying—" It is, however, of no importance who is sent as chief of the factory, provided a lasting peace has been established at Batavia." This expression could only imply, that if the government had become settled, whether English or Dutch, the trade might be continued ; because it is very evident that the Japanese knew the real character of the expeditions sent from Batavia by the British authorities, and were aware of the conquest of Java ; and as no doubt was ever entertained of the Dutch being received at Nangazacky, the remark was useless if applied to the Netherlands government only.

Upon the whole, then, I think it may be assumed, that, in a commercial point of view, there is a considerable opening among the Indian islands, which it would be desirable to occupy, before the further advances of other nations shall have excluded us altogether. It remains to shew, that the longer this question

is postponed, the greater will be the difficulty as well as necessity of acting with effect; and that it is politically expedient to obtain a naval station in the Eastern seas, while it can be done without injury to the just rights of others.

The only power with whom there would at present be any actual contact is the government of the Netherlands; it is necessary, therefore, to consider, what are the rights which that government has acquired by the convention concluded in the year 1814. This convention has restored the factories and establishments which the Dutch possessed in the Eastern seas in the commencement of 1803, viz. Java and its dependencies, Celebes, and the smaller islands situated in the straits of Macassar, the Moluccas, Malacca on the Malay peninsula, and sundry establishments on the island of Sumatra: it has also ceded to them the island of Banca; but as it contains no explanatory article whatever, there is still this question, as before observed, whether a formal abandonment by the

Dutch government, subsequently to January, 1803, of establishments which had been held by them previously to that date, constitutes an exclusion of such establishments from the provisions of the convention of 1814? And on the decision upon this point would depend the present right of the Netherlands government to consider their former factories on the island of Borneo as a part of the recent restitution.

It is evident, from what has already been stated, that the commercial relations between Great Britain and Holland, in the Eastern seas, are not the same now as they were when the Dutch were in the plenitude of their commercial monopoly in that quarter of the world. Of late years, the British have acquired a direct and frequent intercourse with the native states in the Indian Archipelago, and, from that intercourse, have established new relations which have assisted in augmenting the amount of capital employed in the British trade to China. The Dutch, therefore, can no longer exercise

the same restrictive policy and nominal control among the Eastern states, without committing a positive injury on the trade which has been legitimately acquired by Great Britain ; nor can they extend their control over Borneo and the Straits of Malacca, without encroaching beyond the bounds which the convention of 1814 has restored to them ; consequently, much depends on the system of policy pursued by the present government of Java.

Now the whole course of proceedings adopted by that government tends to revive the former system of monopoly and exclusion. They commenced, at the time of the restitution of Java, by refusing to admit the slightest interference, or any community of interests, on the part of the British government in the possessions ceded or restored to them : it was their earnest endeavour to induce the natives to conclude that Great Britain had no longer any regard or influence in their behalf. They have since an-

nulled the very treaty by which the power of ceding the island of Banca to them was obtained, and have sent the sultan of Palembang a prisoner to Batavia, as a punishment for his having solicited that protection which he was justly entitled to expect from the British nation; and it appears, by recent accounts, that they have assumed a paramount authority at Banjarmassin, at Sambas, and at Pontiana, and declare the Netherlands government to be the sovereign of Borneo. But one step more is wanting; if, with the same system and views, they establish themselves also on the western side of the China sea; if they obtain the islands of Bintang and Lingin, and of the south-east coast of the Malay peninsula, (positions which they are known to have in view) the British merchant will become wholly excluded from direct trade to the Indian islands, and will not have one port between Penang and China to which he can resort, except under the control and direction of a foreign power. The Nether-

lands government have Batavia on one side, and seek to obtain Rhio* on the other; by the former they already command the Straits of Sunda, by the latter they would acquire a naval station at the entrance from the Straits of Malacca to the China sea; while the possession of Malacca and Johore, on the southern Malay coast, would complete their command of these straits; and thus the direct route of the British trade to China would have to pass along a line of foreign settlements, while Great Britain would possess no naval station nearer than Ceylon and Penang. The vexatious difficulties to which this state of things would lead, and the eventual insecurity of the British trade, under such circumstances, must be too obvious to require comment.

The local enactments of the Java government lead also to the same system of exclusion. By regulations passed last year, foreign vessels are

* The chief port and harbour in the island of Bintang.

not permitted to touch at the minor ports in Java; all the cargo must be taken in at the port from which the vessel is cleared out, an import and export duty of twelve per cent. is imposed, while six per cent. is paid on the cargoes of Netherlands ships; and it is also understood that the old system has been revived of requiring all native traders at the ports under the control of the Netherlands government, to take passes from the resident European authority; a practice which necessarily tends to force the native trade to such ports as the Java government may prefer, and restricts other nations from a direct participation therein.

In whatever point of view, therefore, the question is considered, it seems essential to interpose for the purpose of preventing the revival of this injurious and pernicious system; injurious as it regards the legitimate pretensions of other nations, and pernicious as it presents a barrier against that improvement of the native population, which, in the present enlightened

state of Europe, ought to be a subject of general anxiety. It might not, indeed, be so immediately destructive to the commercial interests of Great Britain, if the government of the Netherlands were satisfied with what the convention of 1814 has restored, and would not seek to establish their control over countries which were not in contemplation when that convention was concluded; but every act of that government is of a different tendency; and the very great exertions which have been made, and are still making, shew the importance attached to the object. The latest advices mention, that the Netherlands government have a squadron of ships of war at Batavia considerably larger than that which Great Britain retains in the Indian seas, and have about 10,000 European troops in their Eastern settlements, independently of their colonial corps. With what view can this expense be incurred, unless to establish a supreme authority in that quarter of the world?

Surely, then, it would be injudicious to delay until these plans have become matured, and have acquired that plea which a continued possession and a lapse of time would give to them. The acts of the local government of Java, whether in taking possession of factories and establishments which were not held by the Dutch government in the year 1803, such as Sambas and Pontiana, or in restricting the independent native trade, as in assuming a supremacy over the island of Borneo, cannot of themselves be considered sufficient to constitute a right of possession; and it will still remain open to other nations, particularly to Great Britain, under the relations in which she stands with the government of the Netherlands, to interpose and remove the seeds of future dispute, by a liberal and friendly adjustment of the fair pretensions of both parties. Moreover, the results of the late restitution of Java and its dependencies afford a means of mutual concession and sacrifice, if such be required. There is a balance

of about 500,000*l.* sterling, which is admitted to be due to the British government, in the transfer of Java to the government of the Netherlands; and there is a further sum of about 250,000*l.*, disputed indeed, but which is claimed for the British government on just and equitable grounds. Why may not the settlement of these demands be united with an adjustment of the future commerce of the Indian Archipelago, on that system of liberal and generous policy which is consistent with the acknowledged views of the ruling powers in Europe, and with the amicable relations now subsisting between Great Britain and the Netherlands?

An adjustment of this nature may be considered in two points of view; separately, as including only those countries where the Netherlands government had not, at the date of the latest advices from that quarter, actually formed any establishment; or, more collectively, as including those positions which have been occupied since the restitution of Java, but which

were not actually transferred with Java at the time of that restitution.

The Netherlands government have no possessions to the westward of the island of Banca, excepting Malacca, which factory, if not comprehended in one general system of possessing every thing to the eastward of Penang, would be of no great value to them. It may also, I presume, be granted, that the government of the Netherlands has no right, under the terms of the convention of 1814, to claim a supremacy over minor ports, which were some forty years ago subject to the control of the Dutch, but had been formally abandoned by them previously to the year 1803; and, under this point of view, the native state of Johore, situated on the south-east point of the Malay peninsula, is free to form engagements with other European powers, while no claim can exist on the states of Rhio and Lingin, because the supremacy of the Dutch has never been established in those islands.

The island of Bintang, in which is situated the port and harbour of Rhio, is about thirty miles in length, and ten miles in breadth, and contains about 7000 inhabitants; and Rhio, as has been already noticed in a former part of these observations, having long been the resort of the Malay and Chinese traders, is peculiarly well situated for a commercial station : the harbour will contain from twenty to thirty large ships, in safe and excellent anchorage, but is liable to objection, in consequence of the approach to it through the straits of Rhio being somewhat intricate, and impeded by a shoal, which renders the channel narrow for ships of burden ; I am, however, informed, that the sea is almost constantly calm and quiet, and that the difficulty of entrance is not so great as to be attended with danger. Bintang furnishes fresh provisions, and good water in abundance, and the neighbouring island of Lingen is rich in the ordinary produce of the Indian islands, particularly in gambier, which is an article in constant use among the Javanese and Malays.

Rhio, therefore, would become a valuable mart or emporium, where the merchandise exported from Great Britain, or British India, might be collected and exchanged for the products of the Indian islands calculated for the China market; it would also be a central station, whence a further connexion with the independent native states might be formed, and an adequate squadron be placed, when necessary, in the ordinary track of the British trade to China.

I have before remarked that the Dutch had not any possession or control in the islands of Bintang and Lingin in the year 1803, and no trace is to be discovered among the collection of treaties and contracts with native states, which were found among the records at Batavia, of their ever having exercised, in these islands, the supremacy which they had elsewhere established in the Indian Archipelago. The circumstance also of a mission having some months ago been sent to Rhio by the

governor general in council at Fort William, for the purpose of forming an establishment there, provided the Netherlands government had not already preceded us, confirms this opinion, because it may be presumed that the act of having sent this mission proves that no known obstacle existed on the ground of any right possessed by another nation. The native chiefs of Bintang and Rhio may consequently be considered independent of the control of any European power, and free to select that connexion which is most agreeable to themselves; and they have more than once expressed a desire to receive a British establishment, and their willingness to conclude a treaty for that purpose.

If this mission has been successful, the possession of Rhio will of course become the nucleus whence the farther connection with the native states will proceed; and if not successful, it becomes the more necessary to interpose and to fix the commercial relations in the Eastern seas on

a secure and decided footing, before the local clashing of interests has led to injury and dispute.

If then it be asked what position of circumstances would be most likely to remove the local causes of difference between Great Britain and the Netherlands, the question may be readily answered by suggesting that the eastern side of the Straits of Sunda and the western side of the China sea should become the boundary of the respective establishments of the two nations; thus leaving Sumatra and Banca, together with the Straits of Malacca and the adjacent islands, to be occupied by the British, while the Dutch retained Borneo, Java, and the different islands to the eastward of the Straits of Sunda.

But if such an arrangement were found to involve too many of the positions which have unfortunately been conceded and overlooked when the convention of 1814 was concluded, the British trade ought at any rate to have free access

to all the ports where the local administration and government of the country is not exercised by the European power who controls its trade, and appropriates its produce. The custom of the Dutch government has been to establish a single public agent as director of the local trade of a port, and obtain a treaty or contract with the native chief to the exclusion of other nations; but it can hardly be sufficient in the present state of the Indian commerce, that the residence of a harbour-master and a few individual merchants should constitute an exclusive right of possession: nor can it be admitted that a treaty concluded with a native prince or chief, in which the sovereignty of his country is ceded to the Netherlands government, should convey to that government a dominion over territories not actually held or administered by the prince who thus cedes them. Yet it is in history that the power of the Dutch government in the Indian Archipelago was raised by their treaties with the native states having been made to comprehend the cession of all islands which

have at any former period acknowledged the supremacy of that state, but were not actually in subjection or tributary to it at the time of the treaty being concluded ; and it is only in this way that the *Netherlands government can* now pretend to a sovereignty over the island of Borneo.

Thos epositions, therefore, which are not already occupied should be obtained without further delay ; the recent proceedings of the government-general in India should be supported and maintained ; and it then remains to conclude such further arrangements for the more clear and better understanding of the commerce of the Eastern seas, and for that amelioration and freedom of intercourse which the numerous population in these countries have a just right to expect.

It may be urged perhaps that the natives in the Indian Archipelago are in a state of anarchy and uncivilization, which unfits them for en-

gaging in peaceable intercourse, and renders it improbable that the trade with them would become of sufficient value to repay the expense, much less justify any sacrifice to obtain it. But although I am free to admit that the introduction of regular commercial habits, and the abolition of their present custom of having their vessels equally prepared for plunder or for trade, cannot be the work of a moment, I believe that the barbarism of these tribes has been very greatly exaggerated, and I am satisfied that their piratical habits are very much owing to the state of degradation in which they have been held. Remove the cause, and the effect would cease; permit them to enjoy quietly and without restraint the fruits of industry, and there is no peculiar difficulty that should prevent the usual progress of freedom and of civilization among them. The same report was given of the inhabitants of Java, and was credited until the experience of the British administration in that island had shewn that there exists not a people more mild in character and

more accessible to kindness than the Javanese are; and although the present habits of the Malay tribes are less refined and civilized, there is no reason to suppose that they are more inaccessible than their neighbours. I will not pretend to say that the first British vessels trading to their ports would in every instance meet with the reception or the profit that could be wished, more especially in the first opening of the communication; but what I am anxious to establish is, that the means may be found, within the circle above described, of ameliorating the condition of some millions of our fellow-creatures, and of obtaining, with that amelioration, a permanent and material advancement of our own national prosperity.

A conquest of the countries, or even a resident control over the government of them, would not be either necessary or politic; it is sufficient to form such connexions with them as would prevent any other nation assuming that control to our exclusion, and establishing a mo-

nopoly destructive to the local industry of the population. This might, I conceive, be effected by the possession of an establishment in their neighbourhood, which, at the same time that it offered to them a market for the purchase of their commodities and the supply of their wants, should contain a sufficient naval force to command respect and ensure protection; and, as our commercial relations extended, a second such establishment might be added, and communications be occasionally held with the neighbouring states, or in particular instances, an officer of inferior rank be sent to reside as an agent. A more extended plan than this would not, I presume, be required; for it would be an essential part of the system to leave the native trader perfectly free from restraint; and if the commercial objects in contemplation are to be effectually sought for, the British merchant should be at liberty to trade freely to the different ports, and to make his engagements as best suited his own convenience; with no

greater restrictions than what may be found absolutely necessary to secure to the East India Company the exclusive commercial privileges which they already possess in China.

An establishment at the port of Rhio, and either the North-west part of Borneo, or near the Suluh islands, would embrace the extremes of a first undertaking, and would not trespass on the known rights or possessions of any other power. There is a harbour on the coast of Borneo Proper ; and in the Suluh islands, although Suluh itself is not a convenient port, an excellent harbour is formed with the main island by Pulo Talain, which contains a safe and extensive anchorage, and is in the vicinity of a well cultivated country, abounding with good water and supplies.

Or, if the establishments which have been recently formed on the Western coast of Borneo can be matter of negotiation, and the trade

to that coast can be recovered, Pontiana will naturally become a principal place of resort. The trade of this port is considerable *; there is a population of between 40 and 50,000 Chinese residing near the gold-mines, who have a domestic government among themselves, but pay tribute to the Malay sultan of Pontiana; and the revenues of this chief are estimated to average 180,000 dollars per annum, including a capitation tax on the Chinese, at the rate of one Spanish dollar per head; and the value of 50 bankals of gold, which is the amount of the

* The annual demand for the Pontiana market is estimated to require

8 to 10,000 bales of piece goods,

250 to 300 chests of opium,

1000 peculs of Swedish iron,

300 peculs of steel, and,

400 coyangs of salt;

besides cotton cloths of Malay patterns, a few bales of broad-cloths, some chintzes, hardware, &c. And this independently of the Malay and China trade to the port.

In return, Pontiana furnishes about 20 peculs of gold; some diamonds, birds'-nests, camphor, betle-nut, and other articles which have already been enumerated, as being common to the islands in this Archipelago.

revenue paid on the produce of the mines*. The trade to this port had, previously to the restitution of Java to his Netherlands majesty's government, been for several years in the hands of the free merchants resident in the East India Company's possessions; and it is a tribute justly due to the judgment and foresight of Sir Stamford Raffles to add, that if *his* views and wishes had been carried into execution, a chain of establishments, wholly unconnected with the conquest of Java and independent of the provisional possession of that island, would have been formed along the track of the China sea, and would have obtained without difficulty every one of those national objects of which it may with truth be said, that the longer they are delayed, the greater will be found to be the necessity of looking after them.

At the same time I think it may be asserted,

* It is calculated, but the information is not so complete as to make the calculation at all certain, that about 50 parcts of gold are annually obtained from the mines in Succadana.

that the plan which it is the object of these remarks to recommend to public notice would not only require no considerable expense in the first instance, but may even be considered economical, if it be admitted that the security of the commercial interests of this country renders it advisable to have a naval station more near to the China sea than at present.

After the first cost of placing the new establishment in a posture of security against foreign aggression, and of constructing those works of defence which every distant position must require, no large expense would be necessary to conduct the details of an administration which is intended principally for commercial purposes without monopoly, and does not contemplate any acquisition of territory, nor any direction of the internal government of other countries. In time of peace, therefore, it would require no larger defensive means than those which are thought necessary in the neighbouring British settlements, and when-

ever war takes place it immediately acquires an increase of value and importance, which would, even with the most scrupulous person, justify a larger expenditure on account of it.

Should a war occur in Europe, which though sincerely to be deprecated cannot be considered to be an impossibility, our China trade would have to pass along a line of foreign ports; should war at any time occur with the Netherlands government, that line of ports would become actively hostile; and even in the event of a war with the United States of America, it is of importance to possess a harbour near the China seas, because experience has shewn that the Americans make the entrance of the Straits of Sunda a principal station for their cruisers, and resort to the neighbouring bays for water during their cruise. In any case of war therefore the facilities which the new establishment would then possess in affording a naval station for the protection of the China trade would soon repay the expense. if it were

only in the single circumstance of lessening the distance of convoys.

Moreover, if the British flag were established at Rhio, other establishments might be considerably reduced; there could then be no question as to the practicability of dispensing with a separate government and council, at Prince of Wales island; and the savings effected in the one instance may very fairly be set off against the expense incurred in the other. Penang, since it has been pronounced by professional authority to be inconvenient as a naval station, derives its value from the proportion of native trade resorting to it, or as it may be considered an emporium to the British merchant trading to the Eastern islands or China. It was this commerce which contributed so much to raise its prosperity after the conquest of Malacca, and when Java was held in a state of blockade; but the same causes have ceased to exist; for, whether Rhio become a

British possession or not, the settlement in Prince of Wales's Island cannot expect to recover what it has lost ; because if a new establishment be formed at Rhio, the native traders will undoubtedly rather go to that port than to Penang ; and if the policy of the Netherlands government be successful, the native trade will not be suffered to find its way direct into any British port whatever. In either case, therefore, the expense of government at Prince of Wales's Island is susceptible of reduction ; and any amount so gained may be considered to come in aid of an establishment which has in view the very same objects that were contemplated in securing the possession of Penang.

With this remark I shall conclude the present observations ; and if they lead to a further investigation of the subject of them, by any person better informed than myself with regard to it, or induce a more general at-

tention to the propriety of obtaining a position in the Indian Archipelago, while yet it can be done without aggression on the legitimate rights of other nations, my object in offering them to public notice will have been accomplished.

APPENDIX.

Abstract Account of the Annual Commercial Adventure, from Batavia to Japan, in the Year 1806.

Dr.		Cr.	
	Sp. Dol. Strs.		Sp. Dol. Strs.
To invoice price of the outward bound cargo	161,008 62	By sale proceeds, at Japan, of the outward cargo	100,557 30
Charges at Batavia	5,692 0	Presents from the Emperor	2,812 32
Freight of two ships, at 100 dollars per ton	99,532 32	By amount sales of 8,238 peculs of copper, at 50 Spanish dollars per pecul	411,942 0
		Ditto camphor, at 40 stuivers per lb.	48,650 0
<i>Charges at Japan.</i>		Total	563,661 62
Presents to the Emperor	10,800 0	Amount debits	388,156 28
Ditto to inferior officers at the court	5,516 0		
Ditto to the Japanese guard	1,480 0	Balance, being the profit on this concern	175,505 34
Annual salary of the Company's officers	1,845 0		
Ditto table allowance ditto	3,750 0		
Commission, 5 per cent. on the cargo	7,143 0		
Annual rent to the Japanese	3,462 0		
Charges in landing and storing cargo	5,036 0		
Short deliveries and petty charges	2,193 30		
	39,625 30		
<i>Purchase of Homeward-bound Cargo.</i>			
8,520 peculs of copper, of 120½ lbs. the pecul	73,485 40		
640 ditto of camphor, ditto	7,360 0		
Bales	413 8		
4,500 chests for packing copper	791 1½		
2,200 planks for damage	247 32		
	82,297 32		
Total	388,156 28		

(A true copy)

J. G. BAYER,

Accountant.

Batavia, the 28th of December, 1814

Account of the Commercial Adventure sent to Japan in the Year 1813—14.

Dr.	Sp. Dol. Cts.	Cr.	Sp. Dol. Cts.
Invoice cost of outward-bound cargo . . .	170,527 16	<i>By Cargo brought from Japan.</i>	
Allowance to the chief of the Factory for 1400 peculs of copper . . .	25,709 25	902,452 lbs. of copper, at 61 $\frac{1}{100}$ Spanish dollars per pecul (this price being estimated instead of 50 Spanish dollars; because a considerable part of it is used in the coinage of colonial copper duits in Java, and this coinage gives more than 84 dollars per pecul of copper) . . .	441,052 59
Freight of two ships . . .	85,094 0	60,437 lbs. of camphor, which has been sold by auction for . . .	28,204 50
Present to the Emperor . . .	4,845 11	1,208 lbs. of pitch, sold for . . .	600 0
Interest . . .	6,000 0	Add	
Insurance . . .	12,000 0	Damaged goods brought back and sold . . .	1,284 0
Salaries and allowances to the commissioners and officers employed on this occasion . . .	32,540 75	Advances left at Nangazack for the expenses of the journey of the resident to the court at Jedo . . .	8,202
Dry charges, as per statement . . .	22,098 25	Woolens to be given as presents on this occasion . . .	15,000
Balance due to the Treasury at Nangazack, and paid previously to commencing the annual adventure . . .	3,519 33		
	<hr/> 562,353 85		
	Amount credit side . . .		
	<hr/> 132,099 54	Total . . .	494,343 39
Balance in favour of the voyage			<hr/> 23,202 0
To which is to be added			
The debt of the former Dutch government to the Emperor of Japan, which has been paid out of the proceeds of this cargo, viz. . . .	48,648 0	J. G. BAUER,	Accountant.
Total profit . . .	<hr/> 180,657 54	Batavia, the 8th of December, 1814.	

Account of the Adventure sent from Batavia to Japan in the Year 1814—15.

Dr.		Cr.	
	Sp. Dol. Cts.		Pec. Cauties Sp. Dol. Cts. Sp. Dol. Cts.
Invoice cost of the outward cargo	91,221 85		
Freight of the ship	72,000 0		
Allowance to the chief of the factory for 700 peculs of copper	12,727 27	Camphor, Dutch weight sold for	290 40, 17,842 93
Presents to the Emperor	5,089 9	Copper sold for	6,470 1192, 190,558 10
Interest	3,000 0	Pitch	24 0,
Insurance	6,000 0	sold for	48 0
Petty charges	1,488 47	50 Japan gowns, sold for	1,000 0
Salaries to the officers employed from Batavia	7,642 64		209,449 3
	<hr/>		
	199,169 32		
Balance due to the Emperor of Japan, lent for the purpose of completing the expenses in the beginning of the year 1815	3,791 3		
	<hr/>		
Total	202,960 35		2,767 63
Balance in favour of this voyage	17,256 31		8,000 0
	<hr/>		
Spanish dollars	220,216 66		10,767 63
		Total	220,216 66

J. G. BAUER,

Accountant.

Batavia, the 24th of October, 1815.

D

*Particulars of the Cargo exported from Batavia to Japan, in
the Year 1806, on account of the Government.*

1,269,679	lbs. of Sugar
25,000	— Tin
102,000	— Sappan wood
17,087	— Cloves
10,000	— Pepper
100	— Nutmegs
6,000	— Cotton thread
6,082	ells of Woollens
2,842	— Kerseymeres
778	— Plush
59	ps. of Fustians
40	— Roselets
20	— Carpets, English
1,873	— Kerseys
4,900	— Chintzes, Bengal
590	— Ditto, Guzerat
190	— Cabayahs, Malabar
240	— Palempores,
And sundry small quantities of	
Fish skins, Elephants teeth, and	
other articles.	

E

Articles shipped from Batavia for Japan in the Year 1813—14.

1,836,270	lbs. of	Sugar
18,750	—	Black pepper
34,349	—	Pig lead
26,461	—	Rolls ditto
164,000	—	Sappan wood
50	—	Mummy
87,511	—	Tin
15,000	—	Cloves
12,500	—	Nutmegs
15,013½	—	Cotton thread
5,119	pieces of	Patna chintz
60	—	Coast ditto
166	—	Printed cottons
2,610	—	Surat palempores
623	—	Silks, in sorts
225	—	Woollens, in sorts
298	—	Long ells, in sorts
231	—	Perpetrians
54	—	Camblets
3,500		Ducatoons

F

*List of Articles which the Japanese requested should be sent in
the Annual Consignment of 1814—15.*

200	pieces of	Woollens, of different colours
120	—	Coarse cottons
1,200	—	Taffechehahs
3,600	—	Chintzes
400	—	Silk stuffs
400	—	Taffetys
20	—	Silk, with gold embroidery
20	—	Ditto, with silver ditto
10,000	lbs. of	Cotton thread
5,250	—	Cloves
4,000	—	Pepper
5,000	—	Pætjock
9,000	—	Surat katjoe
1,250	—	Elephants teeth
50	—	Mummy
23,000	—	Lead
25,000	—	Tin
250	—	Quicksilver
100,000	—	Sappan wood
1,250,000	—	Sugar
3,500	Ducatoons	

This list is exclusive of sundry articles which are men-

tioned as being required for the Emperor and for the principal officers at Nangazacky—and which consist of cloths, chintzes, glass ware, books, birds, and curiosities. Some of the latter are of a ludicrous description, and show that the lists have been prepared by the Japanese themselves.

F I N I S.

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